



BHARTI AIRTEL LIMITED

Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"). Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC. For details of change in our name and the registered office of our Company, see "History and Corporate Structure" on page 103.

Registered and Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Tel: +91 11 4666 6100

Contact Person: Mr. Rohit Krishan Puri, Deputy Company Secretary and Compliance Officer
Tel: +91 11 4666 6100

E-mail: compliance.officer@bharti.in; **Website:** www.airtel.in

Corporate Identity Number: L74899DL1995PLC070609

PROMOTER OF OUR COMPANY: BHARTI TELECOM LIMITED					
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY					
ISSUE OF UP TO 1,133,591,075 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 220 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 215 PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 249,390.04 MILLION ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 19 RIGHTS EQUITY SHARES FOR EVERY 67 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY (THE "ISSUE") ON THE RECORD DATE, THAT IS, APRIL 24, 2019 (THE "RECORD DATE").					
GENERAL RISKS					
Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the Investors is invited to the section "Risk Factors" on page 18 before making an investment in the Issue.					
ISSUER'S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.					
LISTING					
The existing Equity Shares of our Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges". Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated March 22, 2019 and March 20, 2019, respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.					
LEAD MANAGERS TO THE ISSUE					REGISTRAR TO THE ISSUE
Axis Capital Limited 1 st Floor, Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: bal.rights@axiscap.in Website: www.axiscapital.co.in Investor Grievance E-mail: complaints@axiscap.in Contact Person: Ms. Kanika Sarawgi / Ms. Mayuri Arya SEBI Registration Number: INM000012029	J.P. Morgan India Private Limited J.P. Morgan Towers Off CST Road, Kalina, Santacruz East Mumbai 400 098 Maharashtra, India Tel: +91 22 6157 3000 E-mail: BALRIGHTS_2019@jpmorgan.com Investor Grievance E-mail: investorsmb.jpml@jpmorgan.com Website: www.jpml.com Contact Person: Mr. Shagun Gupta SEBI Registration Number: INM000002970	Goldman Sachs (India) Securities Private Limited Rational House 951-A, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6616 9000 E-mail: gsbhartiartelrights@gs.com Investor Grievance E-mail: india-client-support@gs.com Website: www.goldmansachs.com Contact Person: Mr. Rishabh Garg SEBI Registration Number: INM000011054	HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 Maharashtra, India Tel: +91 22 2268 5555 E-mail: bhartiartelrights@hsbc.co.in Investor Grievance E-mail: investorgrievance@hsbc.co.in Contact Person: Ms. Sanjana Maniar Website: www.hsbc.co.in/1/2/corporate/equities-global-investment-banking SEBI Registration No.: INM000010353	ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: bal.rights@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Contact Person: Mr. Rupesh Khant / Ms. Nidhi Wangnoo Website: www.icicisecurities.com SEBI Registration No.: INM000011179	Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited) Karvy Selenium Tower B, Plot No. 31 & 32 Financial District, Nanakramguda Serilingampally Hyderabad Rangareddi 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: bhartiartel.rights@karvy.com Investor Grievance E-Mail: einward.ris@karvy.com Website: www.karvyfintech.com Contact Person: Mr. M Murali Krishna SEBI Registration Number: INR000000221 [#]
ISSUE SCHEDULE					
ISSUE OPENS ON		LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS		ISSUE CLOSES ON	
May 3, 2019		May 10, 2019		May 17, 2019	

[#] This registration is held by the Registrar under the name 'Karvy Computershare Private Limited', and SEBI has, pursuant to an e-mail confirmed that the registration shall continue to remain valid for the Registrar, in view of the amalgamation of Karvy Computershare Private Limited into the Registrar, until it obtains a fresh registration, upon SEBI granting it prior approval for the change in its shareholding pattern resulting in a change in control of Karvy Computershare Private Limited, after obtaining the previous registration transferred in its name.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Company Related Terms

Term	Description
Company / our Company / the Company / the Issuer	Bharti Airtel Limited, on a standalone basis, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered and Corporate Office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
“We”, “Our”, “Us” or “our Group”	Bharti Airtel Limited on a consolidated basis, including its Subsidiaries, Joint Ventures and Associate Companies, unless otherwise specified
Airtel Africa Group	Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings
Annual Audited Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2018
Articles of Association/ Articles / AoA	The articles of association of our Company, as amended
Associate Companies	Companies constituting the associate companies of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards. For details, see “ <i>History and Corporate Structure – Corporate Structure of our Company</i> ” on page 104
Bharti Airtel Employees’ Welfare Trust	The trust, earlier known as the Bharti Tele-Ventures Employees Welfare Trust, and created vide a trust deed dated March 31, 2001 with its office at Qutab Ambiance, H-5/12, Mehrauli Road, New Delhi – 110 030 or such other trust as may be formed and/or designated by our Company for the administration of ESOP 2001 and ESOP 2005
Bharti Digital	Bharti Digital Networks Private Limited (earlier known as Tikona Digital Networks Private Limited)
Bharti Hexacom	Bharti Hexacom Limited
Bharti Infratel	Bharti Infratel Limited
Board of Directors / Board	Board of directors of our Company or a duly constituted committee thereof
BTL	Bharti Telecom Limited
Director(s)	Any or all the directors on our Board, as may be appointed from time to time
Equity Shareholder	A holder of Equity Shares
Equity Shares	The equity shares of our Company each having a face value of ₹ 5 each, unless otherwise specified
ESOP 2001	Employee Stock Option Scheme 2001 of our Company
ESOP 2005	Employee Stock Option Scheme 2005 of our Company
ESOP Compensation Committee	A committee constituted by our Board under the provisions of the SEBI SBEB Regulations or any other law for the time being in force, to administer the ESOP 2001 and ESOP 2005
Financial Statements	Annual Audited Financial Statements and Interim Audited Financial Statements. For details, see “ <i>Financial Statements</i> ” on page 113
GIC	GIC Private Limited
Holding Company	The holding company of our Company, i.e., BTL, as described under “ <i>History and Corporate Structure – Corporate Structure of our Company</i> ” on page 104
Indus Towers	Indus Towers Limited
Interim Audited Financial Statements	Audited interim condensed consolidated financial statements of our Company as at and for the nine month period ended December 31, 2018
Joint Ventures	Companies constituting the joint ventures of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards. For details, see “ <i>History and Corporate Structure – Corporate Structure of our Company</i> ” on page 104
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended
Pastel	Pastel Limited
Promoter / our Promoter	The promoter of our Company being, BTL. Pastel, who is a member of our Promoter Group, had been disclosed as a ‘deemed promoter’ in regulatory filings under the SEBI Takeover Regulations
Promoter Group	Persons and / or entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations

Term	Description
Registered and Corporate Office	Registered and corporate office of our Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Registrar of Companies / RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi
SingTel	Singapore Telecommunications Limited
Statutory Auditors	Statutory auditors of our Company, being Deloitte Haskins & Sells LLP, Chartered Accountants
Subsidiaries	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act. For details, see “History and Corporate Structure – Corporate Structure of our Company” on page 104
Telenor	Telenor (India) Communications Private Limited
TNL	Telesonic Networks Limited
TTML	Tata Teleservices (Maharashtra) Limited
TTSL	Tata Teleservices Limited

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor
Application	Application made by the Applicant whether submitted by way of CAF or SAF or in the form of a plain paper, in case of Eligible Equity Shareholders, and by way of a CAF or SAF in case of Renouncees, to subscribe to the Rights Equity Shares at the Issue Price including applications by way of the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF or the plain paper Application by the Applicant for blocking the amount mentioned in the CAF or the plain paper Application
ASBA Applicant / ASBA Investor	In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI ICDR Regulations, only Investors who fulfill all of the following criteria are permitted to apply in the Issue through the ASBA process: <ul style="list-style-type: none"> (i) hold the Equity Shares in dematerialized form as on the Record Date and have applied towards their Rights Entitlement or additional Rights Equity Shares in the Issue in dematerialized form; (ii) have not renounced their Rights Entitlement in full or in part; (iii) are not Renouncees; and (iv) are applying through a bank account maintained with SCSBs All Investors other than Retail Individual Investors complying with the above conditions must participate in this Issue through the ASBA process only
Axis	Axis Capital Limited
Bankers to the Issue	Collectively, the Escrow Collection Banks and the Refund Bank to the Issue
Bankers to the Issue Agreement	Agreement dated April 19, 2019 entered into by and among our Company, the Registrar to the Issue, the Lead Managers and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Composite Application Form/ CAF(s)	Form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue

Term	Description
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE
Draft Letter of Offer	The draft letter of offer dated March 6, 2019 filed with SEBI in accordance with the SEBI ICDR Regulations
Escrow Collection Banks	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being Axis Bank Limited and HDFC Bank Limited
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date
Goldman Sachs	Goldman Sachs (India) Securities Private Limited
HSBC	HSBC Securities and Capital Markets (India) Private Limited
I-Sec	ICICI Securities Limited
Issue	Issue of up to 1,133,591,075 Equity Shares of face value of ₹ 5 each of our Company for cash at a price of ₹ 220 per Rights Equity Share (including a premium of ₹ 215 per Rights Equity Share) aggregating up to ₹ 249,390.04 million on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 19 Rights Equity Shares for every 67 Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date
Issue Closing Date	May 17, 2019
Issue Opening Date	May 3, 2019
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 220 per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 249,390.04 million
J.P. Morgan	J.P. Morgan India Private Limited
Lead Managers	Axis, J.P. Morgan, Goldman Sachs, HSBC and I-Sec, in relation to the Issue
Letter of Offer	This letter of offer dated April 19, 2019 filed with the Stock Exchanges and SEBI after incorporating observations received from SEBI on the Draft Letter of Offer
Monitoring Agency	Axis Bank Limited
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see “Objects of the Issue” on page 78
Non-ASBA Investor / Non-ASBA Applicant	Applicants / Investors other than ASBA Applicants / ASBA Investors, who apply in the Issue otherwise than through the ASBA process
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being April 24, 2019
Refund Bank	The Banker to the Issue with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited
Registrar to the Issue / Registrar	Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited)
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation
Retail Individual Investor	An individual Investor (including an HUF applying through its karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being 19 Rights Equity Shares for every 67 Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
SCSB(s)	Self certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Split Application Form / SAF(s)	An application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s) in relation to the Rights Equity Shares
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI

Term	Description
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term /Abbreviation	Description / Full Form
₹ / Rs. / Rupees / INR	Indian Rupee
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS / Accounting Standards	The Accounting standards issued by the ICAI
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CEO	Chief Executive Officer
CCI	Competition Commission of India
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder
Competition Act	Competition Act, 2002
Cr. PC	Code of Criminal Procedure, 1973
CSR	Corporate social responsibility
Delhi Stock Exchange	Delhi Stock Exchange Association Limited
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identification
DPPI	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as
EBITDA	Profit from operating activities before depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the Financial Statements
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign direct investment
FDI Policy	The extant Consolidated Foreign Direct Investment Policy notified by the DIPP (now DPPI) through notification dated August 28, 2017 effective from August 28, 2017
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year / FY / Fiscal	Period of 12 months ended March 31 of that particular year
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCIs	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
GDP	Gross domestic product
GIR	General Index Register
Government / GoI	Central Government and/or the State Government, as applicable
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
Ind AS	Indian Accounting Standards as referred to and notified under the Companies (Indian Accounting Standards) Rules, 2015
IPC	Indian Penal Code, 1860

Term / Abbreviation	Description / Full Form
IPO	Initial public offering
ISIN	International securities identification number allotted by the Depository
IT	Information Technology
IT Act	Information Technology Act, 2000
Income-tax Act	Income-tax Act, 1961
LIBOR	London Interbank Offered Rate
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
MICR	Magnetic Ink Character Recognition
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. / N/A	Not applicable
NACH	National Automated Clearing House
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NEFT	National Electronic Fund Transfer
Net Debt	It is computed by reducing the amounts of cash and cash equivalents from the aggregate of long-term borrowings (including current maturities of long-term borrowings) and short-term borrowings, all of which are as per the audited consolidated financial statements of respective years/periods
NR / NRs	Non-resident(s) or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent Account Number
RBI	Reserve Bank of India
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Regulation S	Regulation S under the US Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Segment EBITDA	Total of 'Segment results' before share of results of Joint Ventures and Associates Companies and segment 'Depreciation and amortisation' as presented in the "Summary of segmental information" in the Financial Statements
State Government	Government of a state of India
Telegraph Act	Indian Telegraph Act, 1885
U.S. / USA / United States	United States of America, including the territories or possessions thereof

Term / Abbreviation	Description / Full Form
US Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term / Abbreviation	Description / Full Form
2G	Second generation mobile telecommunication technology
3G	Third generation mobile telecommunication technology
4G	Fourth generation mobile telecommunication technology
4K	Four times the resolution of regular high definition television content
5G	Fifth generation mobile telecommunication technology
Active infrastructure or active equipment	Includes base transceiver station equipment, associated antennae, backhaul connectivity to an operator's network and other requisite equipment and associated electrical works required to provide telecommunications services by such operator at a tower site
AGR	Adjusted gross revenue
ALT Balaji	A digital platform of ALT Digital Media Entertainment Limited
Amazon Prime	A digital platform of Amazon Seller Services Private Limited
ARPU	Average revenue per user
Average Sharing Factor	Average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period
BSNL	Bharat Sanchar Nigam Limited
BTS	Base transceiver stations
Churn	A measure of customer turnover, churn is derived by dividing the total number of customer deactivations in a period by the average number of subscribers for that period and dividing the result by the number of months in a relevant period
Circle(s) / telecom circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Cisco	Cisco Commerce India Private Limited
Co-location	Number of sharing operators at a tower, and where there is a single operator at a tower, "co-location" refers to that single operator
DoT	Department of Telecommunications, Ministry of Communications and Information Technology, Government of India
DSL	Digital Subscriber Line
DTH	Digital TV services
Ericsson	Ericsson India Private Limited
FDD	Frequency Division Duplex
GB	Giga Bytes
GSM	Global System for Mobile Communication
Hotstar	Application owned and controlled by Novi Digital Entertainment Private Limited
HD	High Definition
HSPA	High Speed Packet Access
Huawei	Huawei Telecommunications (India) Company Private Limited
ICR	Intra Circle Roaming
ICT	Information and Communication Technology
IoT	Internet of Things
ILD	International Long Distance
ILP	Internet Leased Port
IP	Internet Protocol
IRU	Indefeasible right to use
ISP	Internet Service Provider
LSA	Licensed Service Area
LTE	Long Term Evolution
MB	Mega-bytes
MBPS	Mega-bytes per second
MHz	Mega Hertz
MIB	Ministry of Information and Broadcasting
Millicom	Millicom International Cellular S.A
MSC	Main Switching Centre
MPLS	Multiprotocol Label Switching
MTN	Mobile Telecommunications Network
MTNL	Mahanagar Telephone Nigam Limited
Net neutrality	The principle that all internet traffic irrespective of its type or origin of content or means used to transmit packets, is treated equally. All points in a network are able to connect to all other points in the network and service providers are able to deliver traffic from one point to another seamlessly, without any differentiation on speed, access or price
Netflix	Netflix Entertainment Services India LLP

Term / Abbreviation	Description / Full Form
NLD	National Long Distance
NSN	Nokia Solutions and Networks India Private Limited
OTT	Over-the-top services
PRIs	Primary Rate Interface
Reliance Jio	Reliance Jio Infocomm Limited
RKMs	Route kilometres
RMS	Revenue Market Share
SACFA	Standing Advisory Committee on Radio Frequency Allocations of the Wireless Planning and Coordination wing of the Ministry of Communications, Government of India
SD	Standard Definition
Sharing operator	A party granted access to a tower and who has installed active infrastructure at the tower
SIM	Subscriber Identity Module
SIP	Session Initiation Protocol
SMS	Short Messaging Service
South Asia	South Asia shall mean the geographic areas of Sri Lanka and Bangladesh. For purposes of our Company's financial and management reporting, India is not included as part of South Asia
SRAN	Single Radio Access Network
Symantec	Symantec Asia Pacific Pte. Ltd.
TDD	Time Division Duplex
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
Tower / Tower and related infrastructure	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works
Tower infrastructure services	Tower Infrastructure Services include setting up, operating and maintaining wireless communication towers
TRAI	Telecom Regulatory Authority of India, constituted under the Telecom Regulatory Authority of India Act, 1997
TRAI Reported Revenue	Adjusted gross revenue for UASL and NLD license
TSP	Telecom service providers
TV	Television
UAS	Unified Access Service
UBR	Ultra Broadband Radios
UASL	Unified Access Service License
UL	Unified License
UPI	Unified Payments Interface
Uptime	Time during which a service provider's wireless telecommunications network is operational, as measured by the service provider's network operations centre and the tower infrastructure provider's tower operations centre
VAS	Value Added Services
Vodafone Idea	Vodafone Idea Limited
VoLTE	Voice over Long Term Evolution
VLR	Visitor Location Register
VoIP	Voice over Internet Protocol
WPC	Wireless Planning Commission
Zee 5	A digital platform of Zee Entertainment Enterprises Limited
ZTE	ZTE Corporation

Notwithstanding the foregoing, the terms used in “Risk Factors”, “Statement of Special Tax Benefits”, “Our Business” “History and Corporate Structure”, “Financial Statements” and “Outstanding Litigation and Defaults” on pages 18, 86, 89, 103, 113 and 275, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Letter of Offer, unless otherwise specified.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer or the CAF may come, are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Letter of Offer/Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch this Letter of Offer/ the Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer/ the Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with SEBI for observations. Accordingly, this Letter of Offer, Abridged Letter of Offer or the CAF or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction outside India and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer or the CAF.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the rights and the Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The RBI has granted banking license dated April 11, 2016 to Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments Bank Limited stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended its Articles of Association by insertion of article number 42A, to state that "No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons".

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Rights Equity Shares which would not take their total shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any Application exceeds such limits, such Applicant would be required to submit a copy of the approval obtained from the RBI with the Application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue and the aggregate shareholding of the Applicant in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such Applicant to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such Applicant until necessary

approvals are received from the Applicant or it may decide to Allot such number of Rights Equity Shares, that will limit the resultant aggregate shareholding of the Applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

Illustration: If an Investor ‘X’ is holding 3.5% of the pre-Issue paid-up share capital of our Company and applies for his/ her/ its (i) Rights Entitlement in the Issue, or (ii) Rights Entitlement in the Issue and additional Rights Equity Shares, and if pursuant to such Application the shareholding of X will exceed 5% of the post-Issue paid-up share capital of our Company, X will be required to obtain prior approval from the RBI for making the Application and submit a copy of such approval obtained from the RBI with his/ her/ its Application. In case, X does not submit a copy of such RBI approval along with his/ her/ its Application, our Company may at its sole discretion (i) keep on hold the Allotment to X until such RBI approval is received from X, or (ii) decide to Allot such number of Rights Equity Shares to X that will limit the resultant aggregate shareholding of X to less than 5% of the post-Issue paid-up equity share capital of our Company.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**US SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “**UNITED STATES**” OR “**U.S.**”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT (“**REGULATION S**”) AND IN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT) (“**QIBs**”) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made (other than persons in the United States who are QIBs). Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States (other than from persons in the United States who are QIBs) or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, or (ii) it is a QIB in the United States, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States (unless the CAF is submitted by a QIB in the United States); (ii) does not include the relevant certification set out in the CAF headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States (unless the CAF is submitted by a QIB in the United States), and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such CAF.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details, see "*Financial Statements*" on page 113.

We have prepared our Financial Statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in millions Rupees.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by us or the Lead Managers, and neither our Company nor the Lead Managers make any representation as to the accuracy of that information. Accordingly, investors should not place undue reliance on this information. Certain information in "*Our Business*" on page 89 relating to the industry outlook of Indian telecom industry and the information relating to the industry outlook of sub-Saharan African telecom industry is derived from the report titled "Cisco Visual Networking Index 2017", website GSMA Intelligence and report titled "GSMA Mobile Money State of the Industry 2018 Report".

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India;
- 'Central African CFA Franc' and 'XAF' are to the legal currency of Republic of the Congo;
- 'Congolese Franc' and 'CDF' are to the legal currency of Democratic Republic of Congo;
- 'Malagasy Ariary', 'Ariary' and 'MGA' are to the legal currency of Madagascar;
- 'Tanzanian Shilling' and 'TZS' are to the legal currency of Tanzania;
- 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America; and
- 'Zambian Kwacha' and 'ZMW' are to the legal currency of Zambia.

Please note:

- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

Unless specified otherwise in this Letter of Offer for instances where a different source or time period is considered to calculate the conversion rate for a particular foreign currency, the conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of December 31, 2018 (in ₹)	As of March 31, 2018 (in ₹)
1.	1 Central African CFA Franc	0.12115	0.12192
2.	1 Congolese Franc	0.04288	0.04024
3.	1 Malagasy Ariary	0.01980	0.02003
4.	1 Tanzanian Shilling	0.03017	0.02864
5.	1 United States Dollar	69.4879	65.04
6.	1 Zambian Kwacha (ZMW)	5.78594	6.78659

Source: www.fbil.org.in for USD and oanda.com for other currencies

Note: In the event that any of the abovementioned dates of any of the respective years is a public holiday, the previous calendar day not being a public holiday shall be considered

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology including ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, ‘future’, ‘forecast’, ‘target’, ‘guideline’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Changes in laws, regulations or governmental policy affecting our business activities;
- Ability to provide telecommunications or related services that are technologically up to date;
- Exposure to a high risk of customer churn, resulting into increase in subscriber acquisition costs and loss of future subscriber revenues;
- Significant competition from other companies, including from those with pan-India footprints;
- Ability to service our significant indebtedness and comply with its covenants to avoid refinancing risk;
- Ability to raise the additional funds required to meet substantial capital requirements;
- Failure or delay in renewal of our telecommunications licenses, permits and frequency allocations;
- We may have to pay additional spectrum charges for excess spectrum held or surrender excess spectrum held by us to the GoI;
- Adverse consequences arising out of legal and other proceedings involving our Company and Subsidiaries; and
- Ability to trace certain litigation records pertaining to certain matters in which Airtel Congo RDC S.A. is involved.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections “*Risk Factors*” and “*Our Business*” on pages 18 and 89, respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and neither our Company nor any of the Lead Managers undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

Summary of Business

We are one of the world's leading integrated providers of telecommunication services with presence in 18 countries representing India, Sri Lanka, 14 countries in Africa and Joint Ventures in two more countries and retain a diversified portfolio of mobile, voice, data, fixed line, broadband, DTH and other integrated telecom solutions.

Objects of the Issue

The Net Proceeds are proposed to be used in accordance with the details set forth below:

Particulars	Amount (In ₹ million)
Prepayment or repayment of all or a portion of certain borrowings availed by our Company	190,000
General corporate purposes*	59,165.79
Total	249,165.79

* The amount does not exceed 25% of the Issue Proceeds. For details, see "Objects of the Issue" on page 78.

Subscription to the Issue by our Promoter and Promoter Group

Our Promoter, BTL, and members of our Promoter Group have undertaken to subscribe to the full extent of their Rights Entitlement among themselves, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR, except a part renunciation by our Promoter, BTL, of 227,272,727 Equity Shares out of its Rights Entitlement in favour of GIC Private Limited ("GIC"). GIC, on behalf of Government of Singapore and Monetary Authority of Singapore has also confirmed to subscribe to this renounced entitlement of 227,272,727 Equity Shares in the Issue by way of a letter dated March 1, 2019. In addition, the eligible members of our Promoter Group reserve the right to subscribe to additional Equity Shares in the Issue.

In the event of an under-subscription in the Issue, the eligible members of our Promoter Group will subscribe to such number of additional Equity Shares in the Issue as to ensure subscription to the extent of at least 90% of the Issue, subject to the aggregate shareholding of our Promoter and members of our Promoter Group being compliant with the minimum public shareholding requirements under the applicable laws.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlement, as applicable, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Summary of Financial Information

A summary of audited consolidated financial information of our Company as at and for the Fiscals 2018, 2017 and 2016 and for the nine month period ended December 31, 2018 is set out below.

(In ₹ million, unless otherwise specified)

	As at December 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity share capital	19,987	19,987	19,987	19,987
Net worth*	628,679	650,246	658,176	628,921
Revenue (Total income)**	612,583	839,367	955,889	966,192
Profit for the period/year	11,114	21,835	42,414	68,930
Basic earning per Equity Share (in ₹)	0.76	2.75	9.51	15.21
Diluted earning per Equity Share (in ₹)	0.76	2.75	9.51	15.20
Net asset value per Equity Share (in ₹)***	208.15	196.00	185.95	180.79
Total borrowings (Non-current and current borrowings and including current maturities of long term borrowings)	1,210,468	1,113,335	1,072,877	1,004,526

* Net worth is the aggregate of total issued and subscribed share capital, share premium, retained earnings, share based payment reserve,

debenture redemption reserve and general reserve as per the audited consolidated financial statements of respective years/period.

** Total income is the sum of revenue and other income as per the audited consolidated financial statements of respective years/period.

*** Net asset value per Equity Share is computed by dividing the difference between Total assets and Total liabilities (as presented in the audited consolidated financial statements for the respective year/period, as applicable) with the number of issued, subscribed and fully paid-up Equity Shares outstanding as at respective year/period end.

Qualifications of the Auditors

The Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

Summary of Outstanding Litigation and Material Developments

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Type of Proceedings	Number of cases (Petition wise break-up)	Total amount* (₹ in million)
Cases involving our Company		
Issues involving moral turpitude or criminal liability	20	— ⁺
Material violations of statutory regulations	49	177,357 ^{##}
Direct tax proceedings	29	19,656 [^]
Indirect tax proceedings	34	1,527 [^]
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company [#]	2	44,842
Total	134	243,382
Cases involving our Subsidiaries		
Issues involving moral turpitude or criminal liability	14	— ⁺
Material violations of statutory regulations	28	28,570 ^{###}
Direct tax proceedings	10	60,007 ^{**}
Indirect tax proceedings	9	19,048 ^{***}
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company [#]	Nil	—
Total	61	107,625

* To the extent quantifiable.

**This amount largely arises out of direct tax proceedings against Bharti Airtel International (Netherlands) B.V., our Subsidiary, involving the amount of Tanzanian Shillings 1,968,708,131,465. Such amount has been converted into Rupees using oanda.com at the prevailing conversion rate as of December 31, 2018.

***This amount includes liability arising out of indirect tax proceedings against two Subsidiaries in India and two Subsidiaries in foreign jurisdictions. In relation to the indirect tax proceedings against our Subsidiaries in foreign jurisdictions, the amount comprises USD 113.2 million against Airtel Congo RDC S.A. and XAF 85,000 million against Airtel Congo S.A., which have been converted into Rupees using the RBI Reference rate for USD and oanda.com for XAF at the prevailing conversion rates as of December 31, 2018.

⁺Since the cases involved are criminal in nature, the entire amounts may not be quantifiable. For details, see “Outstanding Litigation and Defaults” on page 275.

[#] Based on materiality threshold approved by our Board on February 28, 2019, all pending litigation against our Company and Subsidiaries, other than litigation involving moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences, are considered material if the monetary amount of claim is in excess of 1% of the consolidated revenues or 1% of the consolidated net worth, whichever is lower, of our Company for the Fiscal 2018. Accordingly, the materiality threshold considered for disclosure of such other matters is ₹ 7,500 million.

^{##} To the extent quantifiable, this amount includes a sum of ₹ 65,026 million as of December 31, 2018 in respect of AGR matters of our Company which is disclosed as part of the contingent liabilities disclosure in the financial statements.

^{###} To the extent quantifiable, this amount includes a sum of ₹ 2,661 million as of December 31, 2018 in respect of AGR matters of our Subsidiaries which is disclosed as part of the contingent liabilities disclosure in the financial statements.

[^]The demand amounts in tax litigations is the consolidated figure for all the matters pending before various authorities/ fora / courts.

With respect to the amount involved for cases involving our Company as disclosed in the section “Outstanding Litigation and Defaults” on page 275, our Company has identified ₹ 154,226 million as contingent liabilities as on December 31, 2018. Our Company has made provisions of ₹ 1,865 million based on demand raised (excluding AGR matters) for the material outstanding legal proceedings involving our Company in its interim

condensed consolidated statement of profit and loss (including other comprehensive income) as on December 31, 2018.

With respect to the amount involved for cases involving our Subsidiaries as disclosed in the section “*Outstanding Litigation and Defaults*” on page 275, our Company has made provisions of ₹ 45 million based on demand raised (excluding AGR matters) in its interim condensed consolidated statement of profit and loss (including other comprehensive income) as on December 31, 2018 and has also identified ₹ 9,392 million as contingent liabilities as on December 31, 2018.

For details, see “*Outstanding Litigation and Defaults*” on page 275.

Risk Factors

Specific attention of the Investors is invited to the section “*Risk Factors*” on page 18. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent Liabilities of our Company

A summary of our contingent liabilities as of December 31, 2018 as provided for in the Financial Statements is set out below.

(In ₹ million)	
Particulars	As at December 31, 2018
Taxes, duties and other demands (under adjudication / appeal / dispute)	
–Sales tax and service tax	14,536
–Income tax	14,545
–Customs duty	6,842
–Entry tax	9,948
–Stamp duty	596
–Municipal taxes	1,610
–DoT demands	69,937
–Other miscellaneous demands	5,399
Claims under legal cases including arbitration matters	
–Access charges / port charges	11,990
–Others	2,616
Total	138,019

“In addition to the above, the group’s share of joint ventures and associates contingent liabilities is ₹ 24,969 million and ₹ 21,816 million as of December 31, 2018 and March 31, 2018 respectively.

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

- Post the Supreme Court of India’s judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, our Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of ‘foreign exchange difference’, the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by High Court of Kerala, High Court of Tripura and Supreme Court of India.
- On January 8, 2013, DoT issued a demand on our Company and one of its subsidiaries for ₹ 52,013 million towards levy of one time spectrum charge, which was further revised on June 27, 2018 to ₹ 84,140 million. The revised demand includes a retrospective charge of ₹ 9,090 million 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 ₹ 75,050 million 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 our Company and one of its subsidiaries, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by our Company and one of its subsidiaries, the 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 matter is currently pending with High Court of Bombay. Our Company and one of its subsidiaries, based on independent legal opinions, till date has not given any effect to the above demand.

- DoT had issued notices to our Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming (‘ICR’) arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of ₹ 3,500 million on our Company. Our Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Supreme Court of India which is yet to be listed for hearing.”

For details, see “*Financial Statements*” on page 113.

Related Party Transactions

A summary of significant related party transactions entered into by our Company for the nine month period ended December 31, 2018 and Fiscal ended March 31, 2018, along with percentage of revenue is as follows:

(Except % data, ₹ in million)

Particulars (Relationship)	For the nine month period ended December 31, 2018
Receiving of services Joint Venture Indus Towers Limited	31,964
Reimbursement of energy expenses Joint Venture Indus Towers Limited	20,627
Dividend Received Joint Venture Indus Towers Limited	11,261
Dividend paid Entities having Control / significant influence over Company Bharti Telecom Limited Pastel Limited	10,014 2,957
Percentage of revenue (%)	9%

(Except % data, ₹ in million)

Particulars	For the year ended March 31, 2018			
Relationship	Significant influence entities	Associates	Joint ventures	ORP/FC*
Purchase of assets	–	–	–	(2,761)
Sale / rendering of services	1,022	–	44	343
Purchase of goods / receiving of services	(217)	(50)	(39,977)	(3,504)
Reimbursement of energy expenses	–	–	(26,869)	–
Dividend paid	(9,777)	–	–	(496)
Dividend received	–	–	10,010	–
Percentage of revenue (%)				9%

* Other related parties / fellow companies

For details of the related party transactions, as reported in the Financial Statements, see “Financial Statements” on page 113.

Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of our Promoter Group, directors of our Promoter, our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in their normal course of business, during the period of six months immediately preceding the date of the Draft Letter of Offer and until date.

Issue of Equity Shares for consideration other than cash in the last one year

Except as set out below, our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottee
May 14, 2018	5	5	N.A.	Merger of Telenor with our Company. For details, see “History and Corporate Structure – Details regarding material mergers, demergers and amalgamation” on page 105	Telenor South Asia Investment Pte. Limited, Singapore

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we operate or the regions in which we operate. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Our Business", and "Financial Statements" on pages 89 and 113, respectively.

This Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward Looking Statements" on page 13.

In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiaries, Joint Ventures and Associate Companies.

Unless otherwise stated, the financial information used in this section is derived from our Company's audited consolidated financial statements as of and for the nine month period ended December 31, 2018 and audited consolidated financial statements as of and for the year ended March 31, 2018.

Internal Risk Factors

Risks relating to our business

- 1. The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations.**

Telecommunications businesses in each of our markets are subject to governmental regulation regarding licensing, competition, frequency allocation and costs and arrangements pertaining to interconnection and leased lines. Changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, prospects, financial condition, cash flows and results of operations.

In various jurisdictions in which we operate, local regulators have significant latitude in the administration and interpretation of telecommunications licenses. In addition, actions taken by these regulators in the administration and interpretation of the licenses may be influenced by local political and economic pressures. Decisions by regulators, including the amendment or revocation of any existing licenses, could adversely affect our business, prospects, financial condition, cash flows and results of operations.

India

National Telecom Policy, 2012 ("NTP 2012") recognized that the evolution from analog to digital technology has facilitated the conversion of voice, data and video to the digital form. Increasingly, these are now being rendered through single networks bringing about a convergence in networks, services and also devices. Hence, it was now imperative to move towards convergence between various services, networks, platforms, technologies and overcome the existing segregation of licensing, registration and regulatory mechanisms in these areas to enhance affordability, increase access, delivery of multiple services and reduce cost.

One of the objectives of the NTP 2012 was "Strive to create One Nation - One License" across services and service areas. Therefore, after considering the recommendations of TRAI for Unified Licenses, the Government decided to grant Unified License (UL). The basic features of UL are as follows:

- (i) The allocation of spectrum is delinked from the licenses and has to be obtained separately as per prescribed procedure. At present, spectrum in 800/900/1800/2100/2300/2500 MHz band is allocated through bidding process. For all other services and usages like Public Mobile Radio Trunking Service (PMRTS), the allocation of spectrum and charges thereof shall be as prescribed by Wireless and Planning and Co-ordination wing of Department of Telecommunications from time to time.
- (ii) Authorisation under Unified License comprises for any one or more services listed below:
 - a. Unified License (All Services)
 - b. Access Service (Service Area-wise)
 - c. Internet Service (Category-A with All India jurisdiction)
 - d. Internet Service (Category-B with jurisdiction in a Service Area)
 - e. Internet Service (Category-C with jurisdiction in a Secondary Switching Area)
 - f. National Long Distance (NLD) Service
 - g. International Long Distance (ILD) Service
 - h. Global Mobile Personal Communication by Satellite (GMPCS) Service
 - i. Public Mobile Radio Trunking Service (PMRTS) Service
 - j. Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service
 - k. INSAT MSS-Reporting (MSS-R) Service
 - l. Resale of International private Leased Circuit (IPLC) Service

The DoT retains the right to modify the terms and conditions of our licenses at any time, if in its opinion it is necessary or expedient to do so in the interest of the public or for the proper operation of the telecommunication sector. A change in certain significant terms of any of the licenses, such as their duration, the amount of charges payable by telecom service providers ("TSPs"), under the licenses, the range of services permitted or the scope of exclusivity, if any, could have a material adverse effect on our business and prospects.

In February 2016, the DoT permitted sharing of active infrastructure comprising antenna, feeder cable, Node B, radio access network and transmission systems, amongst service providers based on mutual agreements entered amongst them, could increase competition or could increase the service quality and reduce costs of our competition, if they were to enter into such contracts. Equally, we cannot assure you that we will be able to secure agreements for sharing of active infrastructure on favorable terms.

In May 2016, DoT issued the guidelines for introduction of virtual network operators ("VNOs"), and permitted such VNOs to provide telecom services to subscribers by leasing network capacity from multiple facilities-based telecom operators, thereby eliminating the need for VNOs to own telecom infrastructure or spectrum. The Indian telecom sector is already hyper-competitive and tariffs are amongst the lowest in the world which has put pressure on the profitability of the operators. In such a hyper-competitive environment, introduction of VNOs may further increase the competition.

In September 2018, DoT released the 'National Digital Communications Policy-2018' ("NDCP-2018"). NDGP-2018 has set the goals and targets to be achieved by the sector till 2022. NDGP-2018 has set a target to attract investments of up to USD 100 billion by 2022 in digital communications sector. While the policy includes many forward looking strategies, certain strategies included in the NDGP-2018 may pose a risk to our business. For instance, NDGP-2018 has included the strategy for de-licensing of spectrum for broadband services. Any additional de-licensing of spectrum will negatively impact operators who have invested extensively in procuring the licensed spectrum through the auction route as the same resource *i.e.*,

spectrum will be available for free for various entities in the form of de-licensed spectrum. DoT has also included a strategy for introducing public data office (“PDO”) and public data office aggregators (“PDOA”) for promoting open public Wi-Fi hubs. If DoT approves the introduction of PDO/PDOA through a registration mechanism as recommended by TRAI then it will lead to creation of non-level playing field between licensed operators and unlicensed PDOAs as the latter will be able to provide internet access services without any obligation to pay license fee and without having to follow licensing conditions and the TRAI Regulations.

Any disagreements or disputes with regulatory and other authorities in the jurisdictions in which we operate or plan to operate can potentially affect our business, prospects, financial condition, cash flows and results of operations, including with respect to the level of control we assert over our operating assets. For instance, there are ongoing legal proceedings pertaining to disputes on the components of gross revenue and AGR, based on which license fees and SUC for telecom operators are calculated. Dispute on the definition of gross revenue and AGR of TSPs mainly pertain to inclusion of non-telecom revenue like interest, dividend, profit on sale of asset, *etc.*, inclusion of items which can either not be categorized as revenue or are not considered as revenue by our Company like insurance claim, forex gain, *etc.* as components of the gross revenue and AGR. This matter has been through several rounds of litigations at various fora and is currently pending before the Supreme Court of India.

With respect to telecommunication infrastructure, the Wireless Planning and Co-ordination Wing of the DoT (“WPC”) issues licenses to establish, maintain and operate wireless stations. All license holders intending to offer mobile services must also obtain a separate wireless license from the WPC. The WPC is divided into licensing and regulation, the new technology group, and the Standing Advisory Committee on Radio Frequency Allocation (“SACFA”), which grants site clearance for tower sites.

Additionally, in order to establish and maintain assets like dark fibres, right of way, duct space and towers and to allow our Company to lease, rent, and sell this infrastructure to other telecom operators licensed under Section 4 of the Indian Telegraph Act 1885 on mutually agreed terms, we require an Infrastructure Provider Category-1 registration, which is granted by the DoT. Similar infrastructure can also be established under UL (Access Service Authorization) / UASL. With respect to telecommunication equipment, mandatory testing and approval is required from the Telecom Engineering Centre, DoT for every telecommunication equipment that we put into use, as when such standards are notified by the GoI. In absence of the mandatory TEC standard, we may utilize only those equipment and products, which meet the relevant standard, set by the international standardisation bodies.

In addition, we are required to obtain and renew several approvals from various other regulatory bodies, including various local and municipal bodies, from time to time. If we fail to obtain, maintain or renew required approvals, licenses, registrations and permits at the requisite time, this may result in the interruption of our operations and will have an adverse effect on our business, results of operations and prospects. The terms and conditions of these licenses may be amended at the discretion of the issuing authorities, and such amendments could be unfavorable to us. Changes to the terms and conditions of these licenses could subject us to additional liabilities and may adversely affect our business, financial condition, results of operations and prospects. Further, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of an alleged or actual non-compliance with any terms or conditions thereof, or pursuant to any regulatory action in the future.

Africa

Political and regulatory environment in certain African countries where we operate continues to be challenging. For example, the threat of insecurity and violence arising from terrorism in East Africa and Boko Haram in Nigeria, Niger and Chad, resulting in the loss of property and disruption of its business operations continues to be of real concern to businesses in the region. Changes in governments also results in regulatory uncertainty.

We foresee that pressure of additional taxes and levies from governments in various countries in Africa will continue to bear on the business.

In recent years we have observed greater regulatory focus on Know Your Customer (KYC) and anti-money laundering compliance due to initiatives to enhance national security due to increased terrorism activities in many of the African countries. Strong emphasis on KYC may slow down customer uptake and may also increase the cost of customer acquisition. Non-compliance would result in significant penalties, and loss of revenues as a result of deactivation of customers who are not properly registered.

The other area of increased regulatory focus across Africa is consumer protection through enforcement of 'Network Quality of Service' requirements. Significant penalties are levied across markets for non-compliance. Another area of consumer related regulatory focus is driving down interconnect costs between operators, to ensure widespread affordability of telecom services. There is also a sustained push for a reduction in roaming charges for calls within the region.

A trend that is also gathering momentum is the requirement for local shareholding in many countries, including the requirement to list on local stock exchanges. While we have local shareholding in some of countries in Africa that we operate in, we cannot assure you that we will be successful in achieving compliance with the requirements of local shareholding and listing. Non-compliance of such regulatory conditions may have an adverse impact on our business and operations.

From time to time, we also face uncertainties in many countries where licenses have come up for renewal.

We, through Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings ("**Airtel Africa Group**") operate in a number of emerging markets, in which the interpretation and application of laws and regulations affecting telecom services may be subject to increased uncertainties due to developing or incomplete regulatory regimes and monitoring and ensuring compliance may be more difficult compared to more developed markets. In many of the countries in which Airtel Africa Group operate, local regulators have significant latitude in the administration and interpretation of telecom licenses and laws, rules and regulations. In addition, the actions taken by these regulators in the administration and interpretation of these licenses and laws, rules and regulations may be influenced by local political and economic pressures.

The enforcement of regulations in the emerging markets in which Airtel Africa Group operates may also be subject to increased uncertainties as a result of limited regulatory history or historic inconsistencies in the application of regulations and the penalties rendered, which may be sizeable. We cannot provide any assurance that Airtel Africa Group will not be subject to future regulatory enforcement actions, which may include fines that could be substantial, which could have a material adverse effect on its reputation and its business, results of operations, financial condition and prospects.

2. *If we do not continue to provide telecommunications or related services that are technologically up to date, we may not remain competitive, and our business, prospects and results of operations may be adversely affected.*

The telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand, preferences, behaviour, and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in part or in whole in order to sustain our competitive position in the Indian telecommunications industry. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost effective basis, we may lose subscribers.

High-speed data services have emerged as a key competitive factor in India. Deployment of new telecom technologies, including fifth generation mobile telecom or 5G, in the future may involve significant additional resources including time, funds, and thereby could impact on our results of operations, financial condition and cash flows. Technologies such as mobile money payment services, innovative mobile applications, and other OTT and value-added service products are also of growing importance to our customers. We may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively in the Indian telecom sector. If the costs associated with new technologies are higher than anticipated, our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful, once deployed. Our results of operations would also suffer if our new services and products are not well received by our subscribers, are not appropriately timed with market opportunities or are not effectively brought to market or where our investments in such ventures do not generate commensurate returns.

Additionally, we may be unable to successfully respond to technological advances and evolving industry standards due to the following:

- Upgrading our services in response to market demand may require the adoption of new technologies including 5G that could render many of the technologies that we are currently implementing less competitive or obsolete. We may also need to gain access to related or enabling technologies in order to integrate the new technology with our existing technology, including updating our technology and services to ensure compatibility with our customers' hardware and software. Consistent with the experience of other industry players, our new services may contain flaws or other defects when first introduced to the market.
- New telecommunications services are introduced by our competitors from time to time, including competitors who may bundle such telecom services with other offerings such as content, music, applications, e-commerce and other allied services. Our competitors may gain access to new advanced technology that allows them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more competitive or attractive than our services. If we do not anticipate these changes and promptly adopt new and innovative services in response, we may not be able to capture the opportunities in the market and may lose our customers.
- To compete successfully, we may need to increase the diversity and sophistication of the services we offer and upgrade our telecommunications technology, including technology we use for our broadband internet and direct-to-home ("DTH") services. We may be required to make substantial capital expenditures and may not be successful in modifying our network infrastructure and/or upgrading to use other technology in a timely and cost-effective manner in response to these changes. For example, if DTH content providers migrate their channels from standard definition to high definition, 4K or 8K definition, we will have to ensure our technology platform is able to support the migration of a substantial number or all of our customers from standard to high and ultra-high definition channels, which may require us to incur additional costs and deploy additional resources. Additionally, new technology or trends in the telecommunications industry could have an adverse effect on the services we currently offer and may cause significant write-downs of our fixed assets. Increased adoption of these or other competing technology may lead to a decline in our turnover and profitability. For example, while consumers are accustomed to viewing DTH content delivered over their television, consumers' preference may shift towards viewing content on over the top platforms ("OTT") through other devices, which use broadband internet or wireless mobile internet to receive such content. This may adversely affect our DTH service business.
- Advancements in technology or new technology developed in related or adjacent segments of the telecommunications industry, such as 5G wireless mobile internet services, may offer consumers attractive services, which are akin to or close alternatives to wired broadband internet services, and may reduce the relevance of or demand for our wired broadband internet services. This may result in a loss of customers, a decrease in average revenue per user ("ARPU") and hence a substantial decline in our broadband internet business.
- Developing new services can be complex. We may not be able to implement the new services effectively, promptly and economically to meet customer demand. In developing new services, we may need to make significant investments in our network infrastructure and/or otherwise in order to support these services. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financings, we may have to delay our projects, which could make us less competitive and lead to customer loss.
- Our new services may not be commercially successful. The failure of any of our services to achieve commercial acceptance could result in lower than expected turnover.

To respond to technological changes, including consumer demand for internet services at higher speeds, we may need to invest to further upgrade our existing technologies to prevent them from becoming obsolete. These changes may require us to replace and/or upgrade our network infrastructure and as a result, incur additional capital expenditure (which may be significant) in order to maintain the latest technological standards and remain competitive against newer products and services and may impair the value of our existing assets. If we cannot respond to new technology successfully and offer the new services to meet the demands of our customers in a timely manner and at competitive prices, our business, financial condition, results of operations and prospects could be adversely affected

For our Africa operations, commercial success depends on providing attractive products and services such as voice, data, mobile money, connectivity and other value-added services to our customers on a timely basis and at a competitive cost. If Airtel Africa Group is unable to anticipate customer preferences, respond to technological changes or industry changes or if they are unable to modify its service offerings or

otherwise react to changing customer demands on a timely and cost-effective basis, they may lose customers and quality of services and it may have an adverse impact on business, results of operations financial condition and prospects of Airtel Africa Group.

It is possible that the development of technologies, products and services may intensify competition due to the entrance of new competitors or the expansion of services offered by existing competitors or from players of adjacent industries such as internet companies and OTT players. We cannot predict which of many possible future technologies, products, or services will be important to maintain our competitive position. To the extent we do not keep pace with technological advances or fail to respond in a timely manner to changes in the competitive environment affecting our industry, we could lose market share or experience a decline in our business, prospects and results of operations.

3. *Our Company is exposed to a high risk of customer churn, which increases our Company's subscriber acquisition costs, resulting in the loss of future subscriber revenues.*

The Indian mobile telecommunication industry has historically experienced a high rate of churn in the subscriber base. The high churn rate is a consequence of, among other things, the prepaid nature of the industry, an increase in usage of devices with multi-sim capabilities, mobile number portability and intense competition, which have led telecom operators to introduce promotional tariffs in order to add customers. Churn rates are especially high among prepaid customers. Prepaid subscribers do not sign service contracts, which make our Company's customer base susceptible to switching to other wireless service providers. It can be difficult to determine actual churn rates as customers may frequently keep switching networks, and definition to account for customers may not be uniform across all operators. In addition, many of our Company's subscribers are first time users of wireless telecommunications services. First time users have a tendency to migrate between service providers more frequently, in light of availability of incentives or lower tariffs, than established users. Increased availability of incentives from our competitors increases the risk of churn in our subscribers. Our Company launched 'Minimum ARPU plans' pan India in third quarter of Fiscal 19 and witnessed a sharp reduction in subscriber base in the same quarter. Though we believe that bulk of the impact is already factored in, there may be some impact of these plans on customer churn going forward as well. Churn is also a function of overall network quality and overall customer satisfaction. Our inability to retain existing prepaid customers and manage churn levels could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The rate of churn in the subscriber base in mobile services and digital TV services segments for Fiscal 2018, 2017 and 2016 is as follows:

Particulars	% Monthly churn		
	Fiscal 2018	Fiscal 2017	Fiscal 2016
Mobile Services	3.45%	3.75%	3.37%
Digital TV Services	1.15%	1.14%	0.92%

A high churn rate increases the average cost of signing up a new customer (the "**Subscriber Acquisition Costs**"). However, our Company may be unable to recover such increased Subscriber Acquisition Costs from existing and future customers and further, find it difficult to recover outstanding liabilities from post-paid subscribers who have been deactivated from the system or where such customers have to migrate to other telecom service providers. Higher churn in post-paid subscribers increases the incidence of bad debts. A high rate of churn or an increase in bad debts could have a material adverse effect on our Company's business, prospects, financial condition, cash flows and results of operations.

Recently, a French credit insurance company, Euler Hermes has reportedly downgraded our insurance credit rating based on their assessment of our financial statements and capability to generate profits from our operations. Seemingly, they have stopped issuing credit insurance for our services availed by our customers. This may lead to some churn of our Enterprise customers.

4. *We face intense competition that may reduce our market share and lower our profits.*

Competition in the Indian telecommunications industry is intense. Our Company faces significant competition from other companies, including from those with pan-India footprints such as Reliance Jio and Vodafone Idea Limited. Competition in the Indian telecommunications industry has increased notably due to liberalization of the foreign direct investment ("**FDI**") policy of India. Liberalization led to the privatization of the telecommunication industry, allowed, and encouraged FDI and the provision of services by several mobile operators in various cellular zones established in India by the DoT. With further liberalization, new foreign and domestic competitors may enter the market, which will further increase

competition. In addition, mobile number portability, which enables customers to switch their providers of mobile telecommunications services without changing their phone numbers, was introduced in India in the first quarter of the 2011 calendar year. This has resulted in a greater movement of customers among providers of mobile telecommunications services, has increased the marketing, distribution and administrative costs of our Company, slow growth in subscribers and reduce revenues. As a substantial number of the subscribers of our Company are prepaid, our Company does not have long-term contracts with those subscribers and is therefore, more susceptible to subscriber churn.

The competitive landscape in India has also notably changed post the launch of services by a new operator few years back. Intense pricing pressures, coupled with a general downward trend in prices of telecom services, and the need for future network expansion have led to a spree of consolidation and exits from the sector. Such increasing pricing pressure will affect our profitability and ARPU as well as an increase in customer churn and selling and promotional expenses. Intense competition may impact our ability to retain the long-term contracts with enterprise clients and may result in loss of business.

On February 20, 2014, the DoT issued guidelines for transfer/merger of various categories of telecommunication service licenses/authorization under unified license on compromises, arrangements and amalgamation of the companies (“**Transfer-Merger Guidelines**”) in order to regulate the transfer and merger of various categories of licenses under the unified licensing regime. The Transfer-Merger Guidelines permit merger, acquisition or amalgamation of companies up to 50% of the market share in any service area. Any such merger, acquisition, amalgamation, compromise or arrangement under the unified licensing regime may result in enhanced competition through consolidation of our competitors with other operators, which could have an adverse impact on our business, prospects and results of operations.

There are also an increasing number of players offering various forms of data products. We may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send text messages and offer other advanced features such as the ability to route calls to multiple handsets and access to internet services without the same amount of regulatory costs and scrutiny as subjected to telecom operators. It may reduce customers’ reliance on more traditional telecom services such as voice calls and short message service (“**SMS**”), resulting in a decrease in our revenues.

Our competitors may introduce new telecommunications services with specialized or more expensive and exclusive content from time to time. Access to such specialized, expensive and exclusive content may be available to our competitors that allow them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors’ services more competitive than our services. With resources at our disposal that may be more limited than our competitors, we may not be able to capture the opportunities in the market and may lose customers to our competitors.

We believe that as a result of the prevailing competitive conditions in the telecom industry in India, our results of operations have been adversely affected in recent periods, and as a result, our revenue reduced to ₹ 610,217 million in the nine months ended December 31, 2018, from ₹ 640,536 million in the nine months ended December 31, 2017, and we have a profit for the period of ₹ 11,114 million in the nine months ended December 31, 2018 compared with a profit for the period of ₹ 17,645 million in the nine months ended December 31, 2017.

We also face substantial competition in our operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria, resulting in decreasing ARPU in these markets. In Sri Lanka, we compete with several larger service providers that have been operating in Sri Lanka for significantly longer periods than us, and we expect to face intense competition from these providers in our attempt to expand further. If we are not able to successfully compete in our markets, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. The Airtel Africa Group operates in an increasingly competitive environment, particularly with respect to pricing and market share, across its markets and segments, which may adversely affect our revenue and margins. The existing and future competitors of the Airtel Africa Group may enjoy certain competitive advantages that we do not have, such as having easier access to financing, greater personnel resources, fewer regulatory burdens or closer relationships with regulatory authorities, which may in turn negatively impact the Airtel Africa Group’s competitive position. Further, any failure of the Airtel Africa Group’s to compete effectively, including in terms of pricing of services, acquisition of new customers, retention of existing customers, developing and deploying of new or improved products and services and enhancing networks could have a material

adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations of the Airtel Africa Group.

In Africa, social networking sites and messaging applications pose a threat to traditional telecommunications revenue streams such as pre-paid mobile, voice services, which have historically comprised a significant part of the Airtel Africa Group's revenue. Demand for traditional paid voice services across the telecom industry globally is declining and this may lower the revenue that the Airtel Africa Group is able to generate from interconnect services. The Airtel Africa Group's ability to retain and attract subscribers or provide an attractive alternative to traditional subscriber models could materially and adversely affect the Airtel Africa Group's profitability, business, results of operations and financial condition.

5. *Our Company has incurred significant indebtedness, and our Company must service this debt and comply with its covenants to avoid defaulting on our borrowings and refinancing risk. Further, we are subject to risks arising from interest rate fluctuations, currency fluctuation and regulatory changes, which could adversely affect its business, results of operations, cash flows and financial condition.*

Our Company has outstanding indebtedness largely in connection with our operations, the acquisition of the African operations of Zain in 2010, its refinancing and deferred payment obligations outstanding to DoT for acquired spectrum. Such indebtedness may be substantial in relation to our Company's shareholders' equity, increasing our risk of default. As at December 31, 2018, our Company has consolidated long term borrowings (including current maturities of long term borrowings) of ₹ 947,637 million, out of which our consolidated outstanding unsecured long term borrowings aggregated to ₹ 946,042 million. Further, our Company may also incur additional indebtedness in the future, including indebtedness incurred to fund capital contributions to our Subsidiaries, subject to limitations imposed by our Company's financing arrangements and applicable law. We may not be able to generate sufficient cash flow from operations in the future and future working capital borrowings may not be available in an amount sufficient to enable us to do so. Further, financing may not be available for refinancing our existing and future debt obligations. Working capital facilities are typically uncommitted and may be callable. There is no guarantee that these facilities will continue to be available to us. Company has routine commercial paper programme, factors impacting our company or the Indian economy may cause this source of funds to dry up. Company also has significant bank guarantees issued to cover, including but not limited to, its disputes as well as spectrum liabilities and other regulatory obligations which may materialize and our company may not be able to honor such obligations. Similarly, our Company has also given corporate guarantees of ₹ 715,033 million as of December 31, 2018 for its Subsidiaries, namely, Bharti Airtel International (Netherlands) B. V. and Network i2i Limited. Any performance lag/default on those debt obligations by Subsidiaries may cause guarantees to be accelerated and we may not be able to honor such obligations. In addition, some of our Company's loan agreements may also extend charges on specific assets held in India and/or overseas. An increase in debt levels beyond the levels acceptable to rating agencies or any adverse impact in operations, may put downward pressure on our ratings, which can increase the costs and reduce/restrict availability of further debt for us.

For details, see "*Risk Factors – We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements, which may have an adverse effect on our business, results of operations and prospects.*" below.

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, without the prior consent of the respective lender or require prior intimation to lenders of any such events or covenants that give rights to the lenders, in a limited manner, to ask for mandatory prepayment of the loans granted. Amongst others, we are required to obtain prior approval or cause prior intimation of the following events:

1. Creation or allowing to exist any security interest on our movable and immovable assets without the prior approval of relevant lender except in specific circumstances as set forth in various relevant loan documents.
2. Passing any resolution or otherwise taking any steps towards voluntary winding up or liquidation or dissolution by our Company.
3. Undertaking any amalgamation, demerger, merger or corporate reconstruction except in specific circumstances as set forth in the relevant loan documents.
4. Making any substantial change in the general nature of our business.
5. Conveying, selling, leasing or otherwise disposing of all or substantially all of our assets or receivables except for those assets, which are required to be disposed of in the ordinary course of business.

6. Exceeding the agreed upon leverage levels.

Further, we may be required to mandatorily repay the outstanding amount of the loan obligations if “**Bharti Entities**” together cease to directly or indirectly control our Company. (Bharti Entities shall mean those entities of Bharti Group, which hold shares in our Company. Bharti Group is defined under our AoA, collectively mean (i) Bharti Infotel Private Limited and all of its indirect and direct Subsidiaries (“**BIPL**”), (ii) Bharti Overseas Private Limited and all of its indirect and direct Subsidiaries (“**BOPL**”), (iii) Bharti Enterprises (“**BE**”), (iv) Bharti Telecom Limited (“**BTL**”).

We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. We are also required to maintain certain financial ratios under some of our financing arrangements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition. Further, any change in control or occurrence of event of default may require us to make the prepayment of entire outstanding amount of the loan obligations. We may not be able to procure sufficient funds to make the repayments thereof and it may adversely affect our ability to conduct our business and operations.

Further, we borrow funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for our operations and funding our growth initiatives. Increases in interest rates will increase the cost of debt that we incur. In addition, the interest rate that we will be able to secure in any future debt financing will depend on market conditions at the time and may differ from the rates on its existing debt. If the interest rates are high when we need to access the markets for additional debt financing, or if interest rates increase on our floating rate debt, our business, results of operations and financial condition may be adversely affected. Our Company has debt denominated in various currencies at floating rates of interest. Our Company may not be able to successfully manage currency or interest rate risk and accordingly our liability to repay on debt obligation may inflate. For instance, Indian Rupee depreciated from ₹ 65.02 to ₹ 71.19 per USD during Fiscal 2019. In addition, various aspects including tenor, purpose/end use, costs of raising debt are guided by regulatory change such as changes in regulations relating to external commercial borrowing that can cause our interest rates to fluctuate or impose additional hedging requirements or otherwise cause adverse impact on availability of capital. Further, any such hedging activity is likely to increase cost and has no assurance of fully mitigating the impact of variations caused by mentioned factors.

The Airtel Africa Group has substantial debt in aggregate of interest-bearing loans and borrowings outstanding under its borrowing arrangement. As of December 31, 2018, total debt of Airtel Africa Group is ₹ 297,223 million (converted from USD 4,249 million as per closing exchange rate of ₹ 69.95 per 1 USD for quarter ended December 31, 2018) (including finance lease obligations) which represents 24.4% of our total consolidated debt (in USD terms). As a result, the Airtel Africa Group must dedicate a substantial portion of its cash flow from operating activities to the payment of principal of, and interest on, its borrowings, thereby reducing the availability of such cash flow to fund working capital, acquisitions or other general corporate purposes. The amount of the Airtel Africa Group’s indebtedness could reduce its flexibility to respond to general adverse economic and industry conditions and could place it at a disadvantage compared to competitors with lower levels of indebtedness.

Moreover, under the terms of some of its existing debt, Airtel Africa Limited and its subsidiaries are subject to certain restrictions which could limit the Airtel Africa Group’s ability or the ability of certain entities within the Airtel Africa Group to pay dividends, may limit the Airtel Africa Group’s ability to finance future operations and capital needs and may limit its ability to pursue business opportunities and activities.

6. ***We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements, which may have an adverse effect on our business, results of operations and prospects.***

We operate in a capital-intensive industry with long gestation periods. Our funding requirements are primarily for award of licenses, purchase of spectrum, network expansion and upgrades, the roll-out of new networks following award of new licenses, spectrum and technological advancements, refinancing of existing debt and general corporate purposes. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, future cash flows being less than anticipated, price increases, unanticipated expenses, imposition of taxes, regulatory and technological changes, and limitations on spectrum availability, market developments and new opportunities in the industry.

The financing required for such investments may not be available on terms acceptable to us or at all and we may be restricted by our existing or future financing arrangements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could have significant adverse effect on our profitability and other financial measures. If we raise additional funds through the issuance of equity, your ownership interest will be diluted. We have, in the past and in the future, may continue to rely on financial support from our Promoter, shareholders and related parties and we cannot assure you that such funding will be available in the future. Our ability to finance our capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws, any restrictions on the amount of dividend payable and general economic and markets conditions.

Prudential norms including but not limited to single and group borrower concentration limits prescribed by the RBI or other regulatory bodies to bank lenders in India (as well as corresponding limits under our financing arrangements with such bank lenders) may restrict our ability to seek additional credit facilities from our current bank lenders to fund our business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis, or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

Further, RBI or other regulators keep amend the regulations regarding grant or access of credit from time to time. Such amendments may impact the availability, longevity, terms or other nuances of capital to our Company. As an example, our Company falls under the 'Large Borrower' capital framework effective April 1, 2019 and will have to arrange capital in a certain manner including from the market in accordance with regulation. We can provide no assurance that our Company will be able to do so.

Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans, the failure to meet roll-out obligations pursuant to our licenses or our inability to continue to provide appropriate levels of service in all or a portion of the telecom circles we operate in (which may lead to penalties or loss of license). As a result, if adequate amount of capital is not available, there could be an adverse effect on our business, results of operations and prospects.

Similarly, the Airtel Africa Group operations require substantial amounts of capital and other long term expenditures, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks. Our capital expenditure has been stable in the last two years for the Airtel Africa Group at ₹ 26,998 million in Fiscal 2018 (converted from USD 419 million at the yearly average exchange rate of ₹ 64.44 per 1 USD) and ₹ 26,554 million in the Fiscal 2017 (converted from USD 395 million at the yearly average exchange rate of ₹ 67.16 per 1 USD). For the nine month period ended December 31, 2018, the Airtel Africa Group has spent ₹ 22,880 million in capital expenditure (converted from USD 325 million at the exchange rate of ₹ 67.20 per 1 USD, ₹ 69.91 per 1 USD and ₹ 71.76 per 1 USD, respectively, for quarter ended June 30, 2018, September 30, 2018 and December 31, 2018). Any failure to arrange sufficient external financing from banks or other lenders on a timely basis or on satisfactory terms could have a material adverse effect on the Airtel Africa Group's business, prospects, results of operations and financial condition. Airtel Africa Limited, our subsidiary and holding entity of our Africa operations has appointed syndicate of eight international banks for its intended IPO on an international stock exchange. If Airtel Africa Limited is unable to complete its IPO or if the IPO of Airtel Africa Limited is not successful then funds required to meet its capital requirements may not be available in the manner or from the sources currently anticipated, which may have an effect on our business, results of operations and prospects.

7. *Our telecommunications licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect our business, prospects, financial condition, cash flows and results of operations.*

The terms of our licenses, permits and frequency allocations are subject to finite terms, ongoing review and the renewal of license is required for the licensee to continue its services as well as purchase of spectrum in auctions. While we do not expect our Company or any of our Subsidiaries or Associate Companies to be required to cease operations at the end of the terms of their respective licenses in relation to usage of spectrum, there can be no assurance that these business arrangements or licenses will be extended on equivalent satisfactory terms, or at all. Upon termination, the licenses and spectrum held by these companies may revert to the local governments or local regulators in the respective jurisdiction, in some cases without any or adequate compensation being paid. Our licenses and allocations are subject to varying interpretations and the licensor reserves the unilateral right to amend the terms and conditions of our

telecommunication licenses. In the event the licensor exercises such right, our business, prospects, results of operations and financial condition may be adversely affected. Supply of spectrum is limited by the restrictions on the participation in auctions and we may not be able to effectively win our spectrum back in these auctions. We are also required to comply with certain conditions such as maintaining the minimum net worth, minimum paid up equity capital and capitalization requirements specified under the terms of our telecom licenses.

We have migrated our existing unified access service (“UAS”) licenses of Delhi and Kolkata, which were due for renewal in November 2014 to unified license (“UL”) (access authorization). Subsequently, the licenses, which came for renewal in 2015 and 2016, were also migrated to UL regime.

We have also purchased spectrum for a period of 20 years in the spectrum auctions of February 2014, March 2015 and October 2016 to ensure continuity of our services in the license service areas where our licenses were due to expire between 2014 and 2016. Typically, the UL is valid for 20 years and we will be required to renew our ULs upon expiry of such period.

In eight service areas, namely Tamil Nadu (including Chennai), Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra (excluding Mumbai), Mumbai and Uttar Pradesh West, our Company operates under UAS license with administratively allocated spectrum, which are due to expire in 2021. However, we have also acquired liberalized spectrum in these eight service areas through auctions, mergers and spectrum trading for the continuity of our services.

While we believe we have presently safeguarded ourselves against the risk arising from the expiry of our administratively allocated spectrum which is due to expire in the next five years by acquiring spectrum in auctions/trading as well as acquiring additional spectrum from other TSPs through our recent acquisitions such as that of Tata and Telenor, there can be no assurance that we will be able to implement the same strategy in the future when our current auction acquired spectrum reaches its expiry or that there would be adequate acquisition opportunities, at commercially acceptable terms, available at such time. Further, while we have acquired such spectrum usage for blocks of 20 years through the auction process, or otherwise, at a significant cost to us, if the technology and associated ecosystems and platforms change sooner than that, we may not be able to put this spectrum to commercial use for its full life.

We anticipate that we may have to pay increasingly significant license fees and spectrum charges in certain markets, as well as meet specified network build-out requirements. We cannot assure you that we will be successful in obtaining or funding these licenses, or, if licenses are awarded, that they can be obtained on terms commercially acceptable to us. Furthermore, if we renew existing licenses or obtain additional licenses, we may need to seek future funding through additional borrowings or equity offerings, and we cannot assure you that such funding will be obtained on satisfactory terms or at all, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

8. *We may have to pay additional spectrum charges for excess spectrum held or surrender excess spectrum held by us to the GoI.*

According to the Performance Audit Report of the Comptroller and Auditor General of India on the “Issue of Licenses and Allocation of 2G Spectrum” dated November 8, 2010, for Fiscal 2010 (the “**Report**”), our Company held an aggregate of 32.4 MHz of additional spectrum in 13 circles beyond the upper limit laid down in the UAS license agreement without having paid any upfront charges in respect of such additional spectrum. In the Report, eight other operators were also stated to be holding excess spectrum.

Subsequently, based on TRAI’s recommendations, on December 28, 2012, the DoT issued an order for the levy of one-time charge for spectrum held in excess of 6.2 MHz between July 1, 2008 and December 31, 2012 and in excess of 4.4 MHz, effective from January 1, 2013, payable on an annual basis for remainder of the term of license. On January 8, 2013, DoT issued a demand notice to our Company and Bharti Hexacom Limited for holding spectrum beyond 6.2 MHz in the 1800 MHz and the 900 MHz band from July 1, 2008 until December 31, 2012 and for holding spectrum beyond 4.4 MHz in the 900 MHz and the 1800 MHz band on the basis of 2012 auction determined price applicable from January 1, 2013 until the expiry of the current term of our license amounting to ₹ 52,013 million and disclosed as contingent liability as at March 31, 2018. Our Company and Bharti Hexacom challenged this demand for one time charge in the Bombay High Court, which has stayed the demand. The matter is currently pending for final hearing before the Bombay High Court.

Thereafter, on June 27, 2018, DoT has revised the above-mentioned demand of onetime fee to ₹ 84,140 million. The revised demand is on the account of the latest auction determined rates in all the LSAs (except

J&K and Tamil Nadu, including Chennai in 900 MHz band where auction discovered rates are not available yet). We submitted our response against the said notice on August 29, 2018. The stay granted by Bombay High Court continues to be in force.

Further, the DoT by its letter dated June 22, 2018, which was subsequently revised on June 26, 2018, demanded from our Company one-time spectrum charges of ₹ 12,879 million in respect of Chennai service area for the extended period of license from November 30, 2014 to September 27, 2021. Our Company has filed a detailed representation with the DoT on July 12, 2018 challenging the demand on various grounds. Another representation has been submitted in the matter on December 24, 2018. DoT is yet to respond on the same. However, the DoT vide a letter dated April 10, 2019, while granting in-principle approval for the merger of TTSL with our Company and Bharti Hexacom included a condition to securitize this one time spectrum charge, which we have challenged before the TDSAT, and which is currently pending.

9. Our Company and Subsidiaries are involved in certain legal and other proceedings and there can be no assurance that our Company, and/or Subsidiaries will be successful in any of these legal actions. In the event our Company and/or Subsidiaries are unsuccessful in litigating any of the disputes, our business and results of operations may be adversely affected.

Our Company and Subsidiaries are impleaded in a number of legal and regulatory proceedings that, if determined against our Company, Subsidiaries could have an adverse effect on our business, results of operations, cash flows and financial condition.

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Type of Proceedings	Number of cases (Petition wise break-up)	Total amount* (₹ in million)
Cases involving our Company		
Issues involving moral turpitude or criminal liability	20	— ⁺
Material violations of statutory regulations	49	177,357 ^{##}
Direct tax proceedings	29	19,656 [^]
Indirect tax proceedings	34	1,527 [^]
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company [#]	2	44,842
Total	134	243,382
Cases involving our Subsidiaries		
Issues involving moral turpitude or criminal liability	14	— ⁺
Material violations of statutory regulations	28	28,570 ^{###}
Direct tax proceedings	10	60,007 ^{**}
Indirect tax proceedings	9	19,048 ^{***}
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company [#]	Nil	—
Total	61	107,625

* To the extent quantifiable.

**This amount largely arises out of direct tax proceedings against Bharti Airtel International (Netherlands) B.V., our Subsidiary, involving the amount of Tanzanian Shillings 1,968,708,131,465. Such amount has been converted into Rupees using oanda.com at the prevailing conversion rate as of December 31, 2018.

***This amount includes liability arising out of indirect tax proceedings against two Subsidiaries in India and two Subsidiaries in foreign jurisdictions. In relation to the indirect tax proceedings against our Subsidiaries in foreign jurisdictions, the amount comprises USD 113.2 million against Airtel Congo RDC S.A. and XAF 85,000 million against Airtel Congo S.A., which have been converted into Rupees using the RBI Reference rate for USD and oanda.com for XAF at the prevailing conversion rates as of December 31, 2018.

⁺ Since the cases involved are criminal in nature, the entire amounts may not be quantifiable. For details, see "Outstanding Litigation and Defaults" on page 275.

[#] Based on materiality threshold approved by our Board on February 28, 2019, all pending litigation against our Company and Subsidiaries, other than litigation involving moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences, are considered material if the monetary amount of claim is in excess of 1% of the consolidated revenues or 1% of the consolidated net worth, whichever is lower, of our Company for the Fiscal 2018. Accordingly, the materiality threshold considered for disclosure of such other matters is ₹ 7,500 million.

^{##} To the extent quantifiable, this amount includes a sum of ₹ 65,026 million as of December 31, 2018 in respect of AGR matters of our Company which is disclosed as part of the contingent liabilities disclosure in the financial statements.

To the extent quantifiable, this amount includes a sum of ₹ 2,661 million as of December 31, 2018 in respect of AGR matters of our Subsidiaries which is disclosed as part of the contingent liabilities disclosure in the financial statements.

^The demand amounts in tax litigations is the consolidated figure for all the matters pending before various authorities/ fora / courts.

With respect to the amount involved for cases involving our Company as disclosed in the section “*Outstanding Litigation and Defaults*” on page 275, our Company has identified ₹ 154,226 million as contingent liabilities as on December 31, 2018. Our Company has made provisions of ₹ 1,865 million based on demand raised (excluding AGR matters) for the material outstanding legal proceedings involving our Company in its interim condensed consolidated statement of profit and loss (including other comprehensive income) as on December 31, 2018.

With respect to the amount involved for cases involving our Subsidiaries as disclosed in the section “*Outstanding Litigation and Defaults*” on page 275, our Company has made provisions of ₹ 45 million based on demand raised (excluding AGR matters) in its interim condensed consolidated statement of profit and loss (including other comprehensive income) as on December 31, 2018 and has also identified ₹ 9,392 million as contingent liabilities as on December 31, 2018.

For details, see “*Outstanding Litigation and Defaults*” on page 275. We are, and may in the future be, party to litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects.

10. *Our Company is unable to trace certain litigation records pertaining to certain matters in which Airtel Congo RDC S.A. is involved.*

One of our subsidiaries in Africa, Airtel Congo RDC S.A., is involved in two litigations pertaining to (i) excise duty, and (ii) action in protest against the debt and damages. Litigation documents in respect to aforesaid two matters are not traceable in the Airtel Congo RDC S.A.’s archive. Our Company has in spite of searches undertaken on the tax and regulatory departments been unable to obtain copies of the respective litigation documents from the appropriate authorities. We have obtained a legal opinion from an African counsel wherein it has, amongst other things, been certified that they do not foresee any risk in these cases, inter-alia, on account of their not being any correspondences in the past few years. Accordingly, while we believe that this shall not have any material impact on the long term operations of our Company or its shareholders, we cannot assure you that these documents will be available in the future or that Airtel Congo RDC S.A will be able to successfully contest the litigation before appropriate authorities.

11. *Adverse change in credit ratings assigned to our Company may affect our ability to raise funds for future capital requirements, which may have an adverse effect on our business, results of operations and prospects*

Adverse change in credit ratings assigned to our Company may affect our ability to raise funds for future capital requirements. Given the significant competition in the Indian telecom industry that we face and the consequent impact on our rating metrics, some of the ratings or outlook on ratings of our Company had been revised by rating agencies. In a press release dated February 5, 2019, Moody’s Investors Service (“**Moody’s**”) has downgraded senior unsecured rating for our Company as well as the backed senior unsecured notes issued by our wholly-owned subsidiary, Bharti Airtel International (Netherlands) B.V. from Baa3 to Ba1. Additionally, Moody’s has assigned a Ba1 corporate family rating to Bharti and withdrawn our Company’s Baa3 issuer rating. ICRA Limited (“**ICRA**”) vide its report dated December 17, 2018, has downgraded our Company’s rating and rating for term loans and working capital limits (rated on long term scale) from [ICRA]AA+(Negative) to [ICRA]AA(Stable). CRISIL, by way of its press release dated November 15, 2018 has downgraded the credit rating assigned to the various non-convertible debentures of our Company from ‘CRISIL AA+/Negative’ to ‘CRISIL AA/Stable’. Standard & Poor’s (“**S&P**”) in May 2018 changed the outlook of our Company’s credit rating from BBB-/Stable/-- to BBB-/Negative/--. Downgrade in credit ratings of our Company may cause an adverse impact on our ability to raise additional funds and/or the interest cost at which our Company borrows the additional funds. Certain additional restrictive covenants may also become applicable on a part of our indebtedness in case of downward revision of certain ratings. Further, our Company cannot assure that it will not tie any of its future indebtedness that have linkages to rating levels changes in which may result in increase in pricing, restrictions on debt and other actions.

12. Our Company and Subsidiaries are involved in certain material legal proceedings, which may adversely affect the operations or the financial position of our Company.

Our Company and Subsidiaries are impleaded in a number of material legal and regulatory proceedings that, if determined against our Company and/or our Subsidiaries, as the case may be, could have an adverse effect on our business, results of operations, cash flows and financial condition.

We believe that out of the above mentioned material litigation and regulatory proceedings, the following material litigation proceedings in which our Company or Subsidiaries are involved, may adversely affect the operations or the financial position of our Company:

1. Litigations with DoT;
2. Litigation Proceedings involving TRAI; and
3. Litigation proceedings involving the DoT pertaining to AGR matters.

Litigation proceedings involving the DoT

In 2010, the DoT notified an increase in 2G spectrum usage charges (“SUC”) from 1% to 2% of adjusted gross revenue (“AGR”) of TSPs, effective from April 1, 2010. Subsequently, the SUC was prescribed at 5% of the AGR in respect of the spectrum acquired in auctions held between 2014 and 2015, which was later reduced to a minimum of 3% for spectrum acquired in auctions held in 2016. In October 2014, the DoT introduced the weighted average SUC rate formula for the spectrum in 1800 MHz and 900 MHz bands held by the TSPs and mentioned that the BWA spectrum acquired through auction in 2010 will continue to be charged at 1% of AGR from services using this spectrum. In August 2016, DoT issued another order prescribing the formula for calculating the applicable SUC in a licensed service area (“LSA”), for the spectrum held by an operator across all bands, using the weighted average SUC formula. However, for the purpose of calculating the minimum SUC floor, the DoT excluded the spectrum in 2300 MHz / 2500 MHz acquired / allocated prior to Fiscal 2016 which was calculated at an SUC of 1%, thereby increasing the overall average SUC rate and the same has been applied to the minimum of current year AGR and AGR for Fiscal 2016. Further, in case there is a reduction in AGR of any TSP, the floor amount of SUC is permitted to be reduced proportionately. We have challenged this calculation of the minimum SUC payable before the Telecom Disputes Settlement and Appellate Tribunal (“TDSAT”), wherein the TDSAT has stayed the operation of the relevant clause, permitting our Company to pay the SUC dues without applying the floor amount. However, there can be no assurance that the final order of the TDSAT will be in our favour and in case, our Company does not succeed, we will be required to pay additional amounts calculated in the manner set forth above, along with applicable interest as may be directed by TDSAT. For further details on matters pertaining to DoT, see “*Outstanding Litigation and Defaults*” on page 275.

Litigation Proceedings involving the TRAI

In September 2017, the Telecom Regulatory Authority of India (“TRAI”) released regulations on termination rates applicable to TSPs. Under these regulations, mobile termination charges (“MTC”) for all calls originating from a wireless network were reduced from 14 paisa per minute to six paisa per minute with effect from October 1, 2017 and which will be further reduced to zero with effect from January 1, 2020. The fixed termination charges (“FTC”) as well as MTC for wireline to wireless calls have been kept at zero. Our Company has challenged these regulations before the Bombay High Court on the ground that the calculation methodology used by the TRAI is incorrect and without rationale. However, the move to set termination charges to zero may have a material impact on our financials. In January 2018, TRAI also released regulations in connection with international termination charge, whereby the termination charge for international long distance calls (“ILD”) was reduced to 30 paisa per minute from the existing 53 paisa per minute. This reduction in interconnect charges negatively affected the older, more established operators with large customer bases, such as our Company, to a greater extent compared to the newer entrants. Our Company has challenged these regulations before the Bombay High Court on the ground that they are beyond the jurisdiction of the regulator and the reduction in termination charges has no rational nexus with the curbing of grey market calling. Also in February 2018, TRAI vide its tariff order has asked significant market players (“SMP”) to report their segmented offers including displaying the same on the websites and restricted telecom companies classifying as SMPs from engaging in predatory pricing (which is defined as any price below the average variable cost for providing that service with a view to reduce competition in the relevant market) in specific distinct segments, while doing away with parameters such as traffic and switching capacity. The concept of SMP based on the market share of revenue or customer base was newly introduced as part of the tariff. However, the TDSAT on December 13, 2018 quashed provisions related to predatory pricing and discounted tariffs. TRAI has now challenged the decision of the TDSAT before the

Supreme Court, which is currently pending adjudication. Should the Supreme Court rule in favour of TRAI and uphold this circular, our business, financial condition and operations could be adversely affected. For further details on litigation proceedings involving TRAI, see *“Outstanding Litigation and Defaults”* on page 275.

Litigation proceedings involving the DoT pertaining to AGR matters

Pursuant to the introduction of the New Telecom Policy 1999, the DoT has raised certain demands against our Company between fiscals 2007 and 2015, based on calculation of AGR. However, we evaluate the various AGR and special audit demands basis the merits of the case as determined based on the extant laws and jurisprudence, applicable judicial orders/stays and consistency with its past views on similar matters. Further, we re-assess any such matters in case of any change in the underlying facts, circumstances (including the change in law or jurisprudence). Accordingly, we have disclosed the amount of demand raised by the DoT included under the head of ‘contingent liability not provided for’ in the financial statements of the Company as on December 31, 2018 in the section *“Outstanding Litigation and Defaults – Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company”* on page 275, and there can be no assurance that the actual demand imposed on us will not be significantly higher than what we have provided for. For further details on matters pertaining to DoT and TRAI, see *“Outstanding Litigation and Defaults”* on page 275.

Additionally, (i) our Company and certain third party telecommunications providers are involved in certain legal proceedings pertaining to SMS termination charges; and (ii) our Company and Bharti Hexacom Limited, our Subsidiary, are impleaded in a number of material legal and regulatory environment proceedings, that comprises demands or penalties raised by DoT alleging violation of electromagnetic fields (“EMF”) norms, which, if determined against the Company and/or Bharti Hexacom Limited, could have an adverse effect on our business, results of operations, cash flows and financial condition. For details, see *“Outstanding Litigation and Defaults”* on page 275. Also see, *“– Our Company is dependent on third party telecommunications providers over which it has no direct control for the provision of interconnection and roaming services.”* and *“– Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.”* on pages 36 and 41, respectively.”

13. Our ability to grow our business and the number of our subscribers is dependent on the quality and quantity of spectrum owned by us.

The operation of our mobile telecommunications network is limited by the quality and quantity of spectrum owned by us. In India, telecom operators obtain access spectrum through competitive bidding in GoI held auctions or by entering into spectrum sharing or trading arrangements with other telecom operators. Acquisition of spectrum is subject to certain conditions, risks and uncertainties, including:

- high reserve prices being set by the GoI for the auction of spectrum;
- our competitors outbidding us at the spectrum auctions and entering into spectrum sharing and trading arrangements with each other to our exclusion;
- regulatory uncertainties including delayed access to spectrum already acquired through competitive bidding; and the unavailability of spectrum in certain bands in certain telecom circles and inability to acquire contiguous spectrum.

The operation of our mobile telecommunications networks is limited by the amount of spectrum procured to us in the jurisdictions where we operate. Liberalized spectrum acquired through auction in all the bands (700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz) can be used to provide wireless broadband services by the TSPs. In India, the DTH services are offered in Ku band and within the band, ISRO allocates specified spots (transponders) as per the requirements of the operator. Procurement of spectrum in India is determined by the DoT and by various local/jurisdictional regulators across our African operations and is also subject to caps on the amount of spectrum any telecommunications operator may obtain and hold. In determining spectrum distribution, governmental authorities generally seek to ensure choice of services, efficient use of spectrum and continuity of customer service while maintaining technology neutrality and providing a stable investment environment. The current spectrum procurement may not be sufficient for expected subscriber growth going forward, and our future profitability and cash flows may be materially and adversely affected if its procured spectrum proves inadequate in the future for the expansion of our telecommunications business or if we are unable to procure additional spectrum in the future for the expansion of our telecommunications business. Additional spectrum may also be required to maintain quality of service. As the number of subscribers simultaneously using the same spectrum increases, the quality of the service may suffer, which may lead to a loss of subscribers and revenues. This

could have an adverse effect on our business and results of operations. Further, with the introduction of stringent norms for telecom operators related to quality of service and call drops issues we may not be able to maintain, control or improve the quality of our service and may be subject to monetary penalty or any adverse action by regulators.

In August 2018, the TRAI has given its recommendation on auction of spectrum to DoT. TRAI has suggested that entire available spectrum available in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300-3400 MHz and 3400-3600 MHz bands should be kept in the forthcoming auction. It has recommended that the entire spectrum available in 3300 - 3600 MHz should be auctioned, as a single band and time division duplex (“TDD”) based frequency arrangement should be adopted for this band. Reserve price for 700 MHz and 3300-3600 MHz has been recommended as ₹ 65,680 million/MHz and ₹ 4,920 million/MHz for pan India, respectively. The DoT is likely to auction spectrum in these bands in future. If we decide to bid for any additional spectrum that may come to auction in the future, we may incur high capital expenditure for the acquisition of such spectrum and we may have to undertake additional indebtedness for the same or increase our mobile phone tariffs as a result. An increase in mobile phone tariffs may lead to reduced consumption of our services by our subscribers or a shift of such subscribers to one of our competitors. Similarly, any additional indebtedness may impact our profitability and could have a material adverse impact on our business, prospects, financial condition, cash flows and results of operations.

Currently, the price of the bid in relation to auction of spectrum is typically the most important selection criteria. Increased competition may drive bidding prices for spectrum higher and we may not be able to acquire additional spectrum or may be required to pay a higher amount for acquiring additional spectrum. We cannot assure you that there will be further auctions for spectrum in the future, or that we will be successful in acquiring additional spectrum that we bid for, within a reasonable time, or at all. Further, we may not realize the expected benefits from our investment in additional spectrum that we anticipated when we bid for such additional spectrum.

Spectrum usage rights offered in auctions are typically awarded for a period of 20 years in case of mobile telecommunication and we may not be a successful bidder when bidding for the same spectrum after expiry of such validity period. Moreover, spectrum acquired through competitive bidding may suffer from interference, which may limit its utility, temporarily or for a sustained period. Our business, financial condition, results of operation and prospects may also be adversely affected if the GOI amends spectrum-holding caps in the future, which limit the amount of spectrum that can be held by one telecom operator. If we cannot acquire spectrum of the necessary quality and quantity to deploy our services on a timely basis and at adequate cost, our ability to attract and retain customers and our ability to successfully compete would be adversely affected.

14. *We have rapidly expanded internationally, which could affect future growth.*

Our Company has significantly expanded its international operations (in terms of geography and scope) through its Subsidiaries and associate entities. These include the acquisition of new licenses and building its own network infrastructure and purchasing interests in existing businesses. For example, we commenced telecommunications operations in Sri Lanka in 2009, Bangladesh in 2010 with the acquisition of Warid Telecom, and Africa in 2010 with the acquisition of Zain Telecom’s operations in 15 African countries. Our Company has, *inter alia*, divested its operations in Bangladesh (now with a minority stake in Rob Axiata which is a leading telecom service provider in Bangladesh), Sierra Leone and Burkina Faso. We have expanded our operations in Rwanda by acquiring Millicom’s operations in Rwanda, and our operations in Ghana have been merged with Millicom’s operations, in which we presently hold 50% equity interest.

Our ability to manage our increased scope of operations and to achieve future growth and profitability depends upon a number of factors, including our ability:

- to effectively increase penetration of our service and the scope of our management, operational and financial systems and controls to handle the increased complexity, expanded breadth and geographic area of its operations, particularly in Africa;
- to recruit, train and retain qualified staff to manage and operate its growing business across locations;
- to accurately evaluate the contractual, financial, regulatory, environmental and other obligations and liabilities associated with its international acquisitions and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with our Company’s accounting policies;
- to accurately judge market dynamics, demographics, growth potential and competitive environment;

- to effectively determine, evaluate, manage and respond to the risks and uncertainties in entering new markets, including political, economic and regulatory risks and uncertainties, and acquiring new businesses through its due diligence and other processes, particularly given the heightened risks in emerging markets;
- to effectively and efficiently respond to the competitive environment and manage varied customer demands and preferences in international markets; and
- to obtain and maintain necessary permits, licenses, spectrum allocation and approvals from governmental and regulatory authorities and agencies.

Additionally, our Company has in place an Internal Assurance Group (IAG) headed by Chief Internal Auditor, supported by internal assurance partners (global audit firms) to conduct the internal audit on the basis of a detailed internal audit plan reviewed each year in consultation with the IAG and the Audit Committee.

Any difficulties in addressing these issues or integrating one or more of its existing or future international operations could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, the value of our investments in associates (operating companies in which it has less than a controlling interest) could decline, requiring us to record impairments to those assets in our financial statements.

In Africa, business has historically and in recent years grown inorganically through mergers and acquisitions alongside organic growth, and Airtel Africa Group has undertaken strategic divestments to streamline its footprint and focus on its core subscriber-facing operations. The inorganic component of the Airtel Africa Group's growth strategy is based, in part, on strategic streamlining of our operational footprint, which included our exit from Burkina Faso and Sierra Leone in July 2016, as well as the expected continuation of our ongoing divestitures of tower assets. The Airtel Africa Group's growth strategy depends in part on its ability to develop and integrate new services into its existing services offering, including in connection with the expansion of the their networks, as well as to expand its footprint into new markets, including through acquisitive growth. The Airtel Africa Group may be unable to identify or accurately evaluate suitable partners for acquisition or merger, or to complete or integrate past or prospective acquisitions or mergers successfully or in a timely or cost-effective manner, which could adversely affect our overall strategy. In addition, the Airtel Africa Group may also face risks with respect to any of its divestments. Any failures, material delays or unexpected costs related to the implementation of the Airtel Africa Group's growth strategy could have a material adverse effect on its business, results of operations, financial condition and prospects.

15. *Viridian Limited, a member of our Promoter Group, may be subject to any regulatory action by SEBI regarding non-disclosure of a few details by Viridian Limited, a member of our Promoter Group, with respect to its registration as an FPI with SEBI.*

Viridian Limited is a member of our Promoter Group and is registered with SEBI as a Category III Foreign Portfolio Investor (FPI) from Mauritius since June 17, 2015, having registration no. – INMUFP118515.

Viridian Limited at the time of registration as an FPI had not disclosed that it belongs to the investor group, Fullerton Group (Temasek Group), as required in Form A (for FPI registration) under SEBI (FPI) Regulations, 2014. While Viridian Limited will take appropriate measures in this regard, please note that SEBI may initiate appropriate action, as it may deem fit.

16. *We are exposed to certain risks in respect of the development, expansion and maintenance of our mobile telecommunications networks.*

Our ability to increase our subscriber base depends upon the success of the expansion and management of our networks and upon our ability to obtain sufficient financing to facilitate these plans. The build-out of our networks is subject to risks and uncertainties, which could delay the introduction of services in some areas and increase the cost of network construction, including obtaining sufficient financing. We are engaged in a number of network expansion and infrastructure projects, including in India, Sri Lanka and in the African countries in which we operate. The speed at which we are able to expand our network and upgrade technology is critical to our ability to increase our subscriber base. Thus, if any of these risks transpire, our business, financial condition, cash flows and results of operations may be adversely affected.

We purchase or rely on the purchase of commodities, such as diesel, steel and zinc, to support the development and maintenance of our tower network. Volatility in global commodity prices, in particular metal and fuel prices will make it more difficult for us to accurately forecast and plan the cost of equipment

required for network maintenance and expansion, besides increasing our operating costs and capital expenditure.

Additionally, increases in such global commodity prices will increase the amount of capital expenditure required to finance our expansion plans, which will exert downward pressure on our profit margins if we are unable to pass these cost increases through to our customers. Our operating costs, including that of the Airtel Africa Group, are subject to fluctuations, including changes in energy consumption costs, costs of obtaining and maintaining licenses, spectrum and other regulatory requirements. Any volatility in these and other variable operating costs or any inability to pass on increased costs to the customers could have a material adverse effect on our business, results of operations, financial condition and prospects.

In connection with our network strategy, we, from time to time, consider establishing partnerships with other carriers in our markets which may involve the sale of assets and may require funding from our Company. Network expansion and infrastructure projects, including those in our development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take significant amount of time before we can obtain the necessary permits and approvals for such projects to be completed and accrue benefits from such expansion, during which time we are subject to a number of construction, financing, operating, regulatory and other risks beyond our control, including, but not limited to:

- an inability to secure any necessary financing arrangements on favorable terms, if at all;
- changes in demand for our services;
- our technology becoming obsolete or outdated resulting in reduced commercial success of our services;
- shortage of material, equipment and labour, coupled with labour disputes and disputes with sub-contractors;
- inability to hire, train and retain qualified technical personnel;
- inadequate infrastructure, including as a result of failure by third parties to fulfill their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- changes in local governmental priorities; and
- inability to obtain and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may have a material adverse effect on our ability to complete our current or future network expansion projects on schedule or within budget, if at all, and may prevent us from achieving our targeted increases in subscriber base, revenues, internal rates of return or capacity associated with such projects. There can be no assurance that we will be able to generate revenues from our expansion projects that meet our planned targets and objectives, or that they will be sufficient to cover the associated construction and development costs, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. We may not be able to procure sufficient funding for undertaking the future capital expenditure and may be subject to risks as elaborated under risk factor 6.

17. *Our Subsidiary (Bharti Telemedia Limited) operates in an industry which is highly regulated and it requires certain approvals, licenses, registrations and permissions to conduct our digital TV business.*

Our Subsidiary's (Bharti Telemedia Limited) business activity involve the provision of DTH services. The provision of such service in India is regulated and governed by the Ministry of Information and Broadcasting ("MIB") and the TRAI, in terms of the applicable statutory regulations. In terms of such regulations, our Subsidiary is required to obtain a license from the MIB, for the provision of DTH services, and is required to comply with the conditions prescribed under such regulation and license. Additionally, TRAI may from time to time also prescribe new conditions and/or regulatory requirements for providing such services. If we fail or are unable to satisfy such conditions, comply with the terms of our license or conduct our business activities in a manner contrary to or in violation of the prevailing statutory regulations, our license could be revoked. As of today, there are regulations which affect our industry like obligations on us to ensure that no objectionable, obscene, unauthorized or illegal content, messages or communications are carried out on our network.

Set forth below are certain specific risks arising out of regulatory requirements applicable to our DTH

operations.

DTH operations: TRAI has already mandated implementation of a revised regulatory framework for broadcasting and cable services, requiring DTH service providers to allow customers to purchase access to channels individually or alternatively as a combination of ala-carte/ bouquet. This framework was initially proposed to be implemented by January 31, 2019 but recently TRAI extended the timeline to March 31, 2019 for seeking subscribers' choice for new plans and this migration is already in process. Such revised regulatory framework may negatively impact our revenues from provision of DTH services. Further, the GoI is in the process of introducing a revised licensing framework for DTH operators and the MIB has presently issued us an interim renewal of our license under the existing framework, which is valid until June 30, 2019, or the date of notification of the revised regulatory framework, whichever earlier. Once the new regulations are notified, we will be required to make an application for obtaining a license under the new licensing framework. There can be no assurance that we will continue to be in compliance with the conditions stipulated under such new licensing conditions or that we will be successful in obtaining a license thereunder. Any failure to obtain such license will have an adverse impact on our DTH business and our operations.

Further, we are required to renew our DTH license periodically and if our license is revoked or if we fail to obtain or renew the required license, or if we fail to comply with any of the regulations applicable to us, we may not be able to continue to offer DTH services, which would affect our business, results of operations, financial condition and prospects.

18. *Our Company is dependent on third party telecommunications providers over which it has no direct control for the provision of interconnection and roaming services.*

Our Company's ability to provide high quality and commercially viable mobile telecommunications services depends, in some cases, on its ability to interconnect with the telecommunications networks and services of other local, domestic and international mobile and fixed-line operators including our optical fibre cable transmission network. Our Company also relies on other global telecommunication operators for the provision of international roaming services for its subscribers. While our Company has interconnection and international roaming agreements in place with such Indian and global telecommunication operators, it has no direct control over the quality of their networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to our Company on a consistent basis, could result in loss of subscribers or a decrease in traffic, which could adversely affect our Company's business, prospects, financial condition, reputation, cash flows and results of operations. Further, there have been disputes between our Company and third-party telecommunications providers like BSNL, Airtel Limited, Reliance Communications Limited, Tata Teleservices (Maharashtra) Limited, and Tata Teleservices Limited, pertaining to SMS termination charges, which if determined against our Company, could have a material adverse effect on our business, results of operations, cash flows and financial condition. For details, see "Outstanding Litigation and Defaults – Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company" on page 275.

The Airtel Africa Group is also dependent on third parties for the supply of certain of its services. Any significant disruption or other adverse event affecting the relationship with any of the Airtel Africa Group's major suppliers, the inability or unwillingness of key equipment and service providers to provide the Airtel Africa Group's operations with adequate equipment and services on a timely basis and to manage its infrastructure in accordance with best practices, including at attractive prices, could materially adversely impact the ability of these operations to retain and attract subscribers or provide attractive product offerings, either of which could materially adversely affect the Airtel Africa Group's business, results of operations, financial condition and prospects. Additionally, in the past, some of our Subsidiaries, namely, Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel Africa B.V., Bharti Airtel International (Netherlands) B.V, Bharti Airtel Nigeria B.V. and Airtel Networks Limited, were involved in a number of legal proceedings with Econet Wireless Limited, in Nigeria and The Netherlands. These litigation proceedings were subsequently settled by way of an agreement dated October 29, 2016.

19. *Our Company is dependent on suppliers and vendors for supply of equipment and services to build, develop, maintain and rollout our networks and operate our businesses over which it has no direct control.*

We depend upon suppliers and vendors to provide us with equipment and services that we need to build, develop, maintain and rollout our networks and operate our businesses. We avail the services from vendors

like Nokia, Ericsson, Huawei and ZTE, and from various local vendors for ensuring operations and maintenance. We are dependent on these vendors for supplying components for future expansions besides also maintaining the networks and ensuring their upkeep. We cannot be certain that we will be able to obtain satisfactory equipment and service on commercially acceptable terms or that our vendors will perform as expected. If our contractual arrangements with such vendors expire or terminate, or if we fail to receive the quality of equipment and maintenance services that we require, to negotiate appropriate financial terms for equipment and services, obtain adequate supplies of equipment in a timely manner, or if our key suppliers discontinue the supply or maintenance of such equipment and services due to withdrawal from the Indian mobile telecommunications market or otherwise, we may find it difficult to replace a vendor on a timely basis without significant capital expenditure which could significantly disrupt our services. The occurrence of any such events could have an adverse effect on our business and results of operations.

We are dependent upon certain external suppliers of important services both to us and to our subscribers. We also import the services from vendors, and any adverse effect to import policies including increase in import duties and tariffs, or any embargo on imports from countries from which our vendors supply may have negative impact on our business operations.

As a result, we are exposed to the supply and service capabilities of each of these vendors, which may be impacted by their ability to retain and attract appropriate personnel, their financial position and many other factors which are outside our control. If such a vendor fails to perform adequately or we terminate the vendor, we may not be able to provide such services ourselves or find an alternative supplier without disruption to our services or incurring additional costs.

20. *We are increasingly dependent on revenue generated from data services and a failure to successfully compete in providing data services could have an adverse effect on our business, financial condition, results of operations and prospects.*

Our business is increasingly dependent on revenue generated from data services. Various factors such as rising income levels, decline in prices of smartphones, increasing availability of mobile-based content, higher data demanding media including videos, games and other applications on smartphones and the rollout of long term evolution (“LTE”) networks have led to a rapid growth of data usage in the telecom sector in India. Equally, our dependence on voice revenues, which has traditionally been the mainstay of telecom companies is reducing. We cannot assure you that these trends will continue in the future and that we will continue to benefit from growth in data usage. We may also need to upgrade and expand our network infrastructure in order to remain competitive in the provision of data services, including 4G data services, to our customers, which will require us to incur additional capital expenditure. If we are unable to expand or upgrade our networks and equipment for the provision of data services on a timely and cost-effective basis or at all, we may lose existing customers or fail to attract new customers.

Growth in our data revenues is dependent on the prices we are able to charge for various data offerings and the level of data usage by our customers. We cannot assure you that data usage growth will be adequate to compensate for any future reduction in data prices. Further, if our competitors are able to offer data services that are, or that are perceived to be, more affordable or of a higher quality than those offered by us, we may be required to reduce the price of our data offerings or risk losing market share. In recent times, we have reduced prices while increasing the amount of data we are offering to our customers, within each of our price brackets, due to various factors, including competitive pressure in relation to data offerings. If we are unable to remain competitive in providing data services in the future, our business, prospects, results of operations and financial condition may be adversely affected. Also see, “Risk Factors - We face intense competition that may reduce our market share and lower our profits.” above

21. *Increased sharing of existing and new passive telecommunication infrastructure and increasing competition in the tower infrastructure services industry may create pricing pressures that may adversely affect us. Our African Subsidiaries place reliance on various tower companies for their passive infrastructure needs and change in contracts may impact business.*

We believe that growth and demand for mobile telecommunication services in India will lead to an increased impetus for the sharing and integration of passive telecommunications infrastructure such as towers, poles, conduits and physical sites, as mobile telecommunication operators will increasingly need to outsource their passive telecommunication infrastructure needs as high speed data transfer becomes more commonplace. There can be no assurance, however, that Indian telecommunication operators will not increasingly share existing and new passive telecommunication infrastructure constructed by other Indian telecommunication operators, other existing telecommunication infrastructure companies or their

respective affiliates, which could adversely affect our tower infrastructure services business and consequently our financial condition, cash flows and prospects.

In addition, if BSNL and MTNL, large wireless service providers in India, were to begin to engage in significant amounts of site sharing with other operators or otherwise offer tower infrastructure services sharing availability, this could create a significant new competitor to our tower infrastructure services business.

Our tower infrastructure services business currently faces competition principally from:

- Indian wireless communication operators that share their own tower infrastructure services with other carriers;
- Indian power transmission operators such as Power Grid Corporation of India Limited, who may let their existing infrastructure be utilized by wireless telecommunication service providers;
- International, national and regional tower infrastructure services companies, including joint ventures formed by other wireless communication operators;
- Site development companies that purchase antenna space on existing towers for wireless carriers and manage new tower site construction; and
- Public sector entities such as the Indian railway authority, which have a dedicated telecommunications infrastructure arm and offer mass communication facilities to cellular and broadcast operators.

Competitive pricing pressures for customers from these competitors could adversely affect our tower infrastructure services business growth prospects and revenue. With the merger of the telecom operators Vodafone and Idea, the telecommunications industry in India is consolidating and has a limited number of wireless telecommunications service providers. This has led to a substantial percentage of tower companies revenues being attributable to a small number of customers. If we lose customers in this space due to pricing pressures or otherwise, we may not be able to find new customers, which may have an adverse effect on our profitability and cash flows. Increasing competition in this business could also make the acquisition of high quality tower assets, and securing the rights to land for our towers, more costly. Competition can also lead to the inability to gain new customers. We cannot therefore assure you that we will be able to successfully compete within this increasingly competitive business sector.

In accordance with its “asset-light” strategy, during 2015-16, our Company, through its subsidiaries in Africa divested over 10,000 towers to independent tower companies namely Helios Towers Africa, Eaton Towers Limited and American Towers Corporation.

Our African Subsidiaries entered in to agreements for leasing of towers at long term contracts with various tower companies. We cannot assure that the agreements will always be entered on most favorable terms with such tower companies as compared to lease rates offered by other tower companies. Further, we cannot assure that our Subsidiaries will be able to renew such agreements, at the terms beneficial to them. Further, ability to provide high quality and commercially viable mobile telecommunications services depends on robust network and infrastructure. Third party tower companies are responsible to running and maintenance of the network. Our Subsidiaries or we have no direct control over the quality of the networks and the interconnections provided by such third party tower companies. Any difficulties or delays in providing the reliable infrastructure services by such tower companies, or the failure of any operator to provide reliable services to our Subsidiaries on a consistent basis, could result in loss of subscribers or a decrease in traffic, which could adversely affect our Company’s business, prospects, financial condition, reputation, cash flows and results of operations. Third-party vendors may in future increase charges or renegotiate prices or we may not be able to renew contracts at terms commercially acceptable to us or at all. This could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

22. *Decrease in demand for tower space could materially and adversely affect our business, results of operations, cash flows and financial condition.*

Our subsidiary, Bharti Infratel, is engaged in the business of building, acquiring, owning and operating tower and related infrastructure and providing access to these towers primarily to wireless telecommunications service providers. Factors adversely affecting the demand for tower space in India in general, and space on towers operated by providers such as Bharti Infratel in particular, would adversely affect its operating results. Such factors could include:

- a general deterioration in the financial condition of mobile telecommunications service providers due to declining tariffs, media convergence or other factors;

- a decrease in the ability and willingness of mobile telecommunications service providers to maintain or increase capital expenditures;
- a decrease in the growth rate of mobile telecommunications or of a particular segment of the wireless communications sector;
- adverse developments with respect to auctioning of spectrum by the GoI and changes in telecommunications regulations;
- mergers or consolidations among mobile telecommunications operators and shutting down the business by some telecom operators, which have resulted in reduced average sharing factor for co-locations on our towers during the nine months ended December 31, 2018, as compared with fiscal 2018;
- increased use of network sharing, roaming or resale arrangements by mobile telecommunications service providers amongst themselves;
- deteriorating financial condition and access to capital by mobile telecommunications service providers;
- changing strategy of mobile telecommunications service providers with respect to owning or sharing tower infrastructure services;
- adverse developments with regard to zoning, environmental, health and other government regulations;
- technological changes; and
- general economic conditions.

The tower infrastructure services business and the growth thereof is based on the premise that the subscriber base for wireless telecommunications services in India will grow at a rapid pace and that Indian wireless service providers have, to a certain degree, adopted the tower infrastructure services sharing model. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behaviors of market players do not meet our current expectations, the demand for tower infrastructure and its growth prospects will be adversely affected, which would have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

23. ***We are in the process of completing a merger among Indus Towers with Bharti Infratel, pursuant to which, our shareholding in Bharti Infratel (“Indus Merger”) will stand reduced, ranging from 33.8% - 37.2%, which is dependent upon, (i) all cash election, or (ii) all shares election by Idea and Providence and consequently, Bharti Infratel will not continue to be our Subsidiary. Accordingly, our future financial results may not be comparable with our historical financial statements, including the Audited Consolidated Financial Statements included in this Letter of Offer.***

Prior to the Indus Merger, we consolidated the results of operations of Bharti Infratel and its subsidiary on a line-by-line basis, to the extent of our shareholding in Bharti Infratel. Following completion of the Indus Merger, our shareholding in Bharti Infratel (post completion of Indus Merger, in Indus Towers) will be reduced to a range between 33.8% - 37.2%, dependent upon (i) all cash election, or (ii) all shares election by Idea and Providence. Consequently, our interest in Bharti Infratel (post completion of Indus Merger, in Indus Towers) will not be consolidated on a line-by-line basis once the Indus Merger is approved by the DoT and becomes effective. This change in accounting method will have an impact on the presentation of our financial statements and results of operations and consequently, our future financial statements will not be comparable with our historical financial statements, including the Audited Consolidated Financial Statements included in this Letter of Offer. For more details, see “History and Corporate Structure – Details regarding material mergers, demergers and amalgamation – Scheme of amalgamation and arrangement between Indus Towers and Bharti Infratel” on page 106.

24. ***We may be unable to effectively manage our growth and derive the anticipated synergies or efficiencies from mergers and acquisition arrangements.***

Our growth, including by way of mergers with Telenor, Bharti Digital and on-going arrangements with TTSL, TTML and TNL, is expected to place significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to do so, or if there are any weaknesses in our internal control and monitoring systems that would result in inconsistent internal standard operating procedures, we may not be able to service our clients’ needs, hire, train and retain employees, pursue new business opportunities or operate our existing and future business effectively. Failure to effectively manage new site construction for towers or properly budget or accurately estimate operational and other costs, which could result in delays in executing client contracts, trigger service level penalties, or cause our profit margins to not meet expectations or historical profit margins. Our inability to execute our growth strategy or to manage our planned business expansion effectively could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Further, merger of our subsidiary, Bharti Infratel with the Indus Towers is ongoing, has received approval of Competition Commission of India and stock exchanges, and is at second motion stage of National Company Law Tribunal. We cannot assure you that the merger of aforesaid tower companies will be approved. In the event the merger is not approved, our Company may not be able to successfully integrate a large tower company and the current structure of two parallel companies may continue to exist, which may be sub-optimal. Failure to merge the tower companies may have an impact on stock price of Bharti Infratel and we may not be able to realize the expected strategic and/or operational benefits from the merger. We also could experience difficulty in combining operations and cultures and may not realise the anticipated synergies or efficiencies from such transaction, should the transaction be consummated.

25. *Our reputation and business may be harmed and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our subscribers' or our own information or other breaches of our information security.*

We make extensive use of online services and centralized data processing services, including through third-party service providers. The secure maintenance and transmission of subscriber information is an important element of our operations. Our information technology and other systems, or those of service providers, that maintain and transmit subscriber information may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider.

In addition, third-party service providers and we process and maintain our proprietary business information and personal data related to our subscribers or suppliers. Our information technology and other systems that maintain and transmit this information, or those of third party service providers, may also be compromised by a malicious third-party penetration of our network security or that of a third-party service provider, or impacted by intentional or inadvertent actions or inactions by our employees or those of a third-party service provider. As a result of any of these risks, our business information, or subscriber or supplier data may be lost, disclosed, accessed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or any subscriber information and delays in detecting any such compromise or loss could disrupt our operations, damage our reputation and subscribers' willingness to purchase our service and subject us to additional costs and liabilities, including litigation. For instance, we are, from time to time, involved in legal disputes initiated by customers alleging fraudulent access of their data by third parties without their consent and there can be no assurance that we will be successful in contesting any or all of these disputes. Additionally, Ms. Akansha Srivastava, a customer, filed an application against our Company and certain officers of our Company, alleging the commission of offences under Sections 323, 504, 506, and 406 of the IPC and Section 72 of the IT Act. For details, see "*Outstanding Litigation and Defaults – Litigation involving our Company – Proceedings involving moral turpitude or criminal liability on our Company*" on page 285. Should we be held liable in a large number of these disputes, our reputation, business and operations may be adversely affected.

The Airtel Africa Group could experience breaches in privacy laws and other information security requirements, which may materially adversely affect its reputation, lead to subscriber lawsuit or, loss of subscribers or hinder its ability to gain new subscribers. Further, if severe customer data security breaches are detected, the relevant regulatory authority could sanction one or more of our subsidiaries forming part of the Airtel Africa Group, and such sanctions could include a temporary suspension of operations. These factors, individually or in the aggregate, could have a material adverse effect on the Airtel Africa Group's business, results of operations, financial condition and prospects.

26. *Any inability on our part to protect our rights to the land on which our tower sites are located could adversely affect our business, results of operations, cash flows and financial condition.*

To install our active network infrastructure, which is necessary for us to carry on our business, we obtain a substantial amount of space for physical infrastructural towers from Infrastructure Providers ("IPs") pursuant to commercial agreements. IPs take the right to use the land and property on which the towers are located under commercial contract with the landlord. In general, these lease arrangements are for periods ranging between 10 and 20 years.

A loss of any IP interests or right to use over the land / property, including an IP's actual non-compliance with the terms of these contracts, termination thereof, or the IP's inability to secure renewal thereof on commercially reasonable terms when they expire, could interfere with our ability to operate our active network infrastructure and generate revenues.

Moreover, IPs may not own the land underlying their infrastructure towers, and any dispute between IPs and the owners of land on which infrastructure towers are located may force IPs to relocate certain towers. Any such change or disruption in the infrastructure portfolio may have an adverse effect on our ability to maintain our network and generate revenues. The cost to IPs of relocating our active network infrastructure is significant. IPs may not be able to pass these costs on to their customers and any such relocation could cause significant disruption to our customers. For various reasons, IPs may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to entering into contracts in respect of its sites, which may lead to litigation for eviction against certain IPs, and consequently us, from such lands and properties.

Our Subsidiary, Bharti Infratel, has been named as a party to several litigation proceedings relating to the rentals of private land by it for its towers. Most of these proceedings pertain to disputes regarding the ownership of the lessors of these parcels of lands or the ability to use such land for installing towers, as well as suits for permanent and mandatory injunctions and determination of leases. Our inability to protect our rights with respect to such lands and properties on which our active network infrastructure is located could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In Africa, disagreements with local communities with respect to existing or proposed tower sites in which the Airtel Africa Group operates could adversely impact the Airtel Africa Group's business and reputation.

27. *Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.*

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no conclusive scientific evidence of harmful effects on health. However, we cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets or transmission infrastructure is not, or will not be found to be, a health risk.

Our costs could increase and revenue could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated. Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies such as ours. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services, which could materially restrict our ability to expand our business. Such perception could also increase opposition to the development and expansion of tower infrastructure sites, which could force Bharti Infratel, and other IPs that we rely on, and consequently, us, to relocate existing sites, which could adversely impact our business, results of operations, cash flows and financial condition.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In India, petitions have also been filed against the installation of towers near residential areas, schools, hospitals and playgrounds owing to concerns relating to the adverse effects of electromagnetic radiation. Beginning September 1, 2012 (and now superseded by regulations notified in June 2018), the DoT has implemented new standards in relation to electromagnetic radiation emitted by towers as well as mobile handsets. The DoT has also issued new guidelines to all states in India with regard to clearance for installation of mobile towers. Further, the Rajasthan High Court had, pursuant to orders dated August 22, 2012 and November 27, 2012, directed the removal of mobile towers from school, college, and hospital premises and also ordered to remove mobile towers falling within 500 meters of jails, as they were suspected to be containing potentially hazardous radiation. We and other telecommunication operators challenged these orders before the Supreme Court of India. Similar orders could be passed against us in other such matters pending before other fora. Further, the DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of EMF radiation norms. For details, see “*Outstanding Litigation and Defaults – Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275. If a scientific study resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless communications services, which would adversely affect our business, prospects, results of operations, cash flows and financial condition.

Actual or perceived health risks or other problems relating to the use of mobile handsets or network

transmissions or infrastructure could lead to litigation or decreased mobile communications usage. This could negatively impact the market for wireless services, as well as the Airtel Africa Group's wireless carrier customers, which could materially and adversely affect the Airtel Africa Group's business, results of operations, financial condition and prospects.

28. *Current and future antitrust and competition laws in the countries in which we operate may limit our growth and subject us to antitrust and other investigations or legal proceedings.*

The antitrust and competition laws and related regulatory policies in many of the countries in which we operate generally favor increased competition in the telecommunications industry and may prohibit us from making further acquisitions or continuing to engage in particular practices to the extent that we hold a significant market share in such countries.

In addition, violations of such laws and policies could expose us to administrative proceedings, civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive damages.

Regulators are particularly focused on establishing rules and a regulatory framework for interconnection between mobile networks and between fixed and mobile networks, including mobile termination (*i.e.*, the ability of a telecommunications provider to terminate a call on another operator's network or place a call between networks) and the related pricing mechanisms (*i.e.*, mobile termination rates). Decisions by any of our relevant regulators requiring us to provide mobile termination and interconnection services well below current rates, including the recent change in India's mobile termination rates from 14 paise to six paise that was made effective from October 1, 2017, and further to zero with effect from January 1, 2020, could prevent us from realizing a significant amount of revenue and have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In addition, antitrust and competition laws are subject to change and existing or future laws may be implemented or enforced in a manner that is materially detrimental to us. We cannot predict the effect that current or any future lawsuits, appeals or investigations by regulatory bodies or by any third party in any of the countries in which we operate will have on our business, prospects, financial condition and results of operations. For instance, Reliance JIO had approached the Competition Commission of India ("CCI") alleging cartelisation by Cellular Operators Association of India ("COAI") and certain telecom operators, *i.e.*, being, our Company, Idea Cellular and Vodafone India. While the CCI directed investigation in the matter, the Bombay High Court and subsequently, the Supreme Court have reversed the findings of the CCI and the plea of Reliance JIO on the grounds that CCI was not eligible to decide upon certain preliminary issues pertaining to jurisdiction, involved in the matter, which was solely vested with the relevant authorities under the TRAI Act. However, the Supreme Court has upheld the powers of the CCI on adjudicating upon matters pertaining to the telecom industry subject to the determination by the authorities under the TRAI Act.

There can be no assurance that we will not be involved in antitrust or competition related lawsuits in the future, which may cause us material losses and require us to incur significant expenses and significantly divert the time and attention of our management from our operations. In addition, fines, or other penalties imposed on us, if any, by an antitrust or competition authority as a result of any such investigation, or any prohibition on us engaging in certain types of business in one or more markets in which we operate, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

29. *Compliance with subscriber verification norms, know your client ("KYC") regulations and data privacy norms may require us to incur significant expenditure, which may adversely impact our financial condition and cash flows.*

Regulators are introducing stringent subscriber verification and KYC guidelines, including biometric verification and quality of KYC documents. We are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law. If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations. In a recent judgment, the Supreme Court upheld the constitutional validity of 'Aadhaar' and has simultaneously restricted its use by private entities for verification of the identity of the mobile phone users and limited the use of Aadhaar for social welfare schemes of GoI. Telecom service operators like us had built their electronic KYC authentication systems around the biometric database of Aadhaar. Restrictions on usage of Aadhaar by the Supreme Court has led to us requiring to revamp and rework the process and infrastructure

for verification of customers for ensuring KYC compliance, from online verification system based on Aadhaar to the alternate modes of verification, which has had substantial cost implications on our business and operations. Alternate mode of KYC verification could be expensive, time consuming and onerous for us for the compliance with data privacy norms.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 (“**PDP Bill**”) applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

- 30. *If the broadcasters who provide signal input to our DTH business for the provision of their programming encounter any technical failures, our business, financial condition and results of operations may be adversely affected.***

In order to successfully operate our business, we depend on third-party broadcasters for the input of signals to provide us with their programming. If such broadcasters encounter technical failures in the provision of such input, we may be unable to provide uninterrupted programming offerings to our subscribers or the audiovisual quality of such programming may be reduced. If we are unable to provide our programming as a result of such technical failures, our business, financial condition and results of operations may be adversely affected.

- 31. *We significantly rely on IT infrastructure, and we are required to develop and maintain our internal IT infrastructure, which if not properly managed, could result in disruption of critical internal services and as a result, adversely affect our operations.***

We are significantly dependent on effective IT systems for our business and operations. These systems including software, support key business functions such as research and development and billing capabilities and are an important means of internal communication and communication with customers and suppliers. Any significant disruption of these IT systems or the failure of new IT systems to integrate with existing IT systems or failure to upgrade or maintain existing IT systems, could materially and adversely affect our business, prospects, financial condition, cash flows, results of operations and our ability to deliver on business targets and to maintain our compliance status and reputation.

- 32. *For the nine months ended December 31, 2018, we generated approximately 72% of our revenues from our operations in 10 telecom circles in India, as per TRAI reports and any adverse developments affecting our operations in these 10 telecom circles would have an adverse impact on our business, financial condition, results of operations and prospects.***

For nine months ended December 31, 2018, we generated approximately 72% of our revenues from our operations in 10 telecom circles in India primarily comprising Delhi and Mumbai metropolitan cities and the states of Karnataka, Andhra Pradesh, Tamil Nadu, Bihar, Uttar Pradesh (E) , Rajasthan, Maharashtra and Madhya Pradesh, as per TRAI reports (based on gross revenue).

The concentration of our operations in these telecom circles heightens our exposure to adverse developments in such circles, such as those related to competition, market demand and economic, demographic and other changes, which could have an adverse effect on our business, financial condition, results of operations and prospects. For risks related to expiry of our ULs for these and other telecom circles where we operate, see “*Risk Factors - Our telecommunication licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect our business, prospects, financial condition, cash flow and results of operations*” above.

Our revenues from our operations in top 10 telecom circles in India for Fiscal 2018, 2017 and 2016 as per TRAI reports (based on gross revenue) is as follows:

(₹ in million)

S. No.	Circle	Fiscal 2018	Fiscal 2017	Fiscal 2016
1.	Karnataka	62,247	55,159	54,266
2.	Andhra Pradesh	54,333	47,382	43,802
3.	Delhi	53,644	44,916	42,772
4.	Tamil Nadu	46,949	42,678	38,686
5.	Bihar	45,479	35,898	33,455
6.	Uttar Pradesh (E)	37,653	26,679	24,597
7.	Rajasthan	35,718	31,781	31,498
8.	Mumbai	31,764	24,673	22,708
9.	Maharashtra	29,901	23,623	21,608
10.	Punjab	22,580	19,178	18,199
Total		420,268	351,967	331,591

33. Poor quality of network and information technology including redundancies and disaster recoveries can adversely affect our business, prospects and results of operations.

Our operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or wilful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fibre cuts, lack of redundancy paths, weak disaster recovery fall-back, and partner staff absenteeism, among others are few examples of how network failures happen. Our Information Technology (“IT”) systems are critical to run the customer facing and market-facing operations, besides running internal systems. In many geographies or telecom circles, the quality of IT connectivity is sometimes erratic or unreliable, which affects the delivery of services, such as, recharges, customer query, distributor servicing, customer activation, and billing. Natural calamities such as tropical cyclones “Tilili” in Odisha and Andhra Pradesh, heavy floods in Kerala and north eastern states in 2018 have, in the past, disrupted telecommunications network and have resulted in network downtime. Further, such calamities have also led to increased costs and expenses being incurred on the repair and rework of the IT systems.

In several developing countries, the quality of IT staff is rudimentary, leading to instances of failures of IT systems and / or delays in recoveries. The systems landscape is ever changing due to newer versions, upgrades and ‘patches’ for innovations, price changes, among others. Hence, the dependence on IT staff for turnaround of such projects is immense.

We have a technologically advanced Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network. Network planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained with our Company. However, if we are not able to cope with the network failures effectively, it may materially adversely impact our business, prospects, financial condition, cash flows and results of operations.

34. Our Company may be subject to additional regulations regarding net neutrality, which could adversely affect our Company business, prospects, financial condition, cash flows and results of operations.

In September 2018, DoT amended the terms of Unified License (UL), UL (VNO) agreement, ‘Cellular Mobile Telephone Service’ license agreement and UAS license agreement to include the regulatory framework on ‘Net Neutrality’. Pursuant to these amendments, the telecom licensees are not permitted to engage in discriminatory treatment of content, including any discrimination based on the sender or receiver or the user equipment. The licensees have been expressly prohibited from entering into any arrangement or agreement with any person that has the effect of discriminatory treatment of content. However, these provisions do not apply on specialized services provided by a licensee required that specialized services are not usable or offered as a replacement for internet access services and provision of specialized services is not detrimental to availability and overall quality of internet access service. Restrictions contemplated under regime of net neutrality may be adverse to the telecommunication operators’ interests, and it may impair our Company’s ability to offer innovative services and products and could adversely affect our Company’s business and operations.

35. ***Our Company deploys and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel, which are required to obtain certain licenses and permits which are diverse and may be difficult to obtain, and once obtained, may be amended or revoked or may not be renewed.***

The roll out of towers requires approvals from various state/local authorities, including no-objection certificates from the local or municipal authorities, environmental approvals from the pollution control boards for operating diesel generator sets (beyond a certain load) etc. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. Further, the delay in implementation and adoption of uniform national policy issued by DoT i.e., right of way rules, 2016 (“RoW”), across different states, for granting permission to deploy towers, has resulted in local civic authorities/state governments often creating ad hoc, overlapping policies, imposition of exorbitant charges beyond the amounts prescribed in the RoW and delay in granting the permission to deploy towers. As a result, these policies vary widely across civic authorities and from state to state, comprising different terms and conditions, policies, annual fees, tariff bases, local taxes, levies and differing environmental standards.


Our Company and Bharti Infratel applies for various approvals from various authorities as and when they are due for renewal. There can be no assurance that the relevant authorities will issue such permits, approvals to our Company and Bharti Infratel or that they will be issued in a timely manner or as expected. Further, these permits and approvals are subject to conditions and we cannot assure you that our Company or Bharti Infratel will be able to meet these conditions on an ongoing basis, which may lead to cancellation, revocation or suspension of the relevant permits, or approvals. Failure on our Company’s or Bharti Infratel’s part to renew, maintain or obtain the required permits, or approvals may result in the interruption of their operations and may have a material adverse impact on their business. We cannot assure you that the relevant authorities will not take any action or impose any conditions in relation to such licenses that could materially and adversely affect our operations and business. In addition, if our Company or Bharti Infratel is unable to obtain certain of these approvals and permits, it may be required to seek alternative sites and incur considerable effort and expense where a suitable alternative tower is not available.

36. ***Our subsidiary, Airtel Payments Bank Limited (“APBL”) requires certain approvals, licenses, registrations and are required to comply with certain statutory regulations and guidelines issued by Reserve Bank of India (“RBI”) to conduct the business of Payments Bank.***

APBL obtained payment banking license from RBI on April 11, 2016 and commenced its operation on November 23, 2016. APBL currently provides savings account, semi-closed prepaid payment instrument and remittance services to its customers. As per applicable RBI guidelines, APBL cannot directly undertake lending activities but can offer savings and current account, issue prepaid wallets, offer remittance products and distribute non-risk sharing financial products such as insurance, mutual funds etc. If APBL fails to meet such conditions, or to comply with the terms of the license or conducts its business activities in a manner contrary to or in violation of the prevailing statutory regulations and guidelines by RBI, its license could be revoked along with the imposition of financial penalties, which would materially and adversely affect our business, results of operations, financial condition and prospects. We have in the past been subject to restrictions and penalties imposed by the UIDAI and RBI alleging that we had opened bank accounts for customers without their specific consent. The RBI issued a show-cause notice in January 2018 alleging certain non-compliances by APBL, including opening of bank accounts without specific consent of customers and inadequate KYC documentation in respect of various accounts opened by it. The RBI, by an order dated March 7, 2018, had imposed an aggregate monetary penalty of ₹ 50 million on APBL, holding that APBL had contravened the Operating Guidelines for Payment Banks dated October 6, 2016 and directions contained in the Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016, and subsequently updated on July 8, 2016 and December 8, 2016, issued by RBI and had prohibited APBL from opening accounts. Further, in December 2017, the UIDAI passed an interim order deactivating the e-KYC license key issued to our Company and APBL, alleging certain violations of applicable law and the Authentication User Agencies Agreement (“AUA Agreement”), including using the Aadhaar information submitted by multiple customers for obtaining mobile connection to open an Airtel Payments Bank account without specific consent of the customers. Further, the UIDAI, while observing that the AUA Agreement imposes a penalty of ₹ 0.10 million per day for such violation, directed each of our Company and APBL to deposit ₹ 12.70 million towards such penalty. While these restrictions have now been removed and the e-KYC license key has been activated, our Company and APBL have been directed to ensure continuous compliance with the applicable provisions of law and the AUA Agreement, failing which, we face the risk of suspension of our e-KYC license key or our banking license and/or imposition of further penalties, all of which will have a material adverse impact on our payments bank business. If the license is revoked or if APBL fails to comply with any of the regulations and guidelines applicable, it may not be able to continue to offer payments bank services, which would adversely affect our business, results of operations, financial condition and prospects.

37. *We may not be able to adequately protect our intellectual property, which could harm the value of our brand and services and adversely affect our business, financial condition, results of operations, cash flows and prospects.*

Our business is dependent upon successfully protecting our intellectual property – including but not limited to our trademarks, copyright and patents. As part of our efforts towards ensuring their protection, we have successfully applied for and registered several trademarks including the word mark AIRTEL and its

variations and formatives including its various logo marks such as . We have over 200 registered trademarks including word marks, logos and device marks in various classes in India in addition to several pending trademark applications pending registration. We do not have any control over the registration of a trademark and a pending mark may not be granted registration for various reasons including being descriptive, non-distinctive or similar to a prior trademark. Furthermore, a pending trademark may also be opposed by third parties that claim to have similar marks. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for our Company and could also impact our reputation. A party could also proceed against a registered trademark and request for its cancellation on various grounds which include bad faith use and non-use for a period of five years from grant of registration.

Generating and maintaining recognition for our brand is critical to our business. The success of our business depends on our ability to use our trademarks in order to compete effectively in our existing markets and increase penetration and awareness for our brand and further promote our business in newer markets. If we are unable to maintain or enhance subscriber awareness of our brand and generate demand in a cost-effective manner, it would adversely affect our ability to compete in the telecommunications industry and would have an adverse effect on our business and results of operations.

Our Company routinely monitors third party trademarks, including domain names, by watching trade marks journals for advertised marks and keeps a check on the use of its trademarks on the internet. However, it is possible that our Company is not aware of misuse of its trade marks as a domain name due to the sheer volume of domain names. This could potentially cause loss of reputation of our Company, which could impact our business and may even affect our goodwill.

While we have sought to register most of the trademarks that we use or have used in the past, even if these trademarks are not registered, those that have garnered a reputation over the years and are associated with us are protected under common law allowing us to prevent a third party from using a deceptively similar trademark. This, however, is subject to us taking action against such a third party trademark and proving that our trademark while unregistered is associated exclusively with us. A third party mark being deceptively similar and its use will result in a loss/injury to our Company. Such an action can also become a lengthy and costly exercise for our Company and may not always be in favour of our Company. While for registered trademarks, we are adequately protected because of the statutory protection afforded against similar marks being used /registered for similar goods and services, we may not be able to adequately protect unregistered marks that are not as well recognized.

Our logos are protected under copyright laws as artistic works from the date of publication of the logos. A similar right is also granted to our literary works, including software programmes, under copyright laws from the date of their publication. However, copyright may not provide adequate protection to artistic or literary works and we may not be able to protect our copyright works or prevent their infringement solely on the basis of copyright. Additionally, we may be required to litigate to protect these works, which may increase our costs and operational expenditure. These events could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We have also filed several patent applications, however, none of these patents have been granted registration yet and their registration is beyond our control. There is a possibility that registration of such patents might not be granted which could have a material adverse effect on our business, prospect and results of operations. In the event that a prior patent exists we may also be subject to patent infringement claims which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. We could also potentially face similar claims for design infringement in the event that we are using an industrial design that has already been registered by a third party.

While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of

our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations. Our intellectual property rights are fundamental to our brand and we believe the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name, enhance our competitiveness and otherwise support our business goals and objectives. We cannot assure you that the steps we take to obtain, maintain and protect our intellectual property rights will be adequate, which could in turn materially and adversely affect our business and prospects.

Additionally, we may not be aware of all intellectual property rights that our services or the products may potentially infringe or pass off under common law. Certain of the services, products and technology provided to us by our third party suppliers may utilize intellectual property belonging to other third-parties. We cannot assure you that our suppliers will not infringe the intellectual property of third-parties by supplying us with their services, products or technology, or that our use of such services, products or technology from these suppliers will not cause us to infringe the intellectual property rights of third-parties. Therefore, there can be no assurance that our services or the products will not infringe a third party's intellectual property. While we may contest any claims brought forth against us, there can be no assurance that a court will conclude that our services or the products do not violate the intellectual rights of third parties. Further, there can be no assurance that we or our suppliers would be able to obtain licenses from third-party owners of such intellectual property rights on commercially favorable terms or at all, and if we were unable to obtain such licenses, that we or our suppliers would be able to redesign our services or the products used to transmit or receive our services to avoid infringement. Any court-imposed penalties relating to violations of third-party intellectual property rights could have a material and adverse effect on our business, financial condition, results of operations and prospects.

38. *The Bharti Group and the STI Group will continue to have certain privileges including the right to approve certain corporate actions.*

Bharti Group as defined under our Articles of Association, collectively means (i) Bharti Infotel Private Limited and all of its indirect and direct Subsidiaries (“**BIPL**”), (ii) Bharti Overseas Private Limited and all of its indirect and direct Subsidiaries (“**BOPL**”), (iii) Bharti Enterprises (“**BE**”), (iv) Bharti Telecom Limited (“**BTL**”) and (v) our Company. Further, “**STI Group**” means Singapore Telecom International Pte Ltd., Pastel Limited (“**Pastel**”), SingTel and any and all of SingTel's direct or indirect Subsidiaries. By virtue of our Articles of Association, certain rights and privileges have been granted to Bharti Group and STI Group, including the right of refusal for investment opportunity, right to be considered as preferred partner in India, right of BTL and Pastel to appoint the nominee directors on our Board, presence of nominee of Pastel to constitute quorum for our Board meetings in which certain reserved matters are proposed to be approved, and the approval of Pastel for such reserved matters, which includes, among other things, any changes to our Articles of Association or Memorandum of Association, approval of any merger or amalgamation of our Company or Subsidiaries, the creation, allotment, variation, reorganisation or issue of our share capital other than by way of public issue or rights issue, and/or grant of loan to our Company or Subsidiaries above a specific threshold, among others. There could be a possibility of a time lag in obtaining the requisite consents for such reserved matters thereby, at times, adversely impacting our ability to monetize a business opportunity in the event the requisite approvals are obtained with a delay or are not obtained. Also, the STI Group has a right of first refusal with respect to an opportunity, business or venture in which such entities of Bharti Group, which hold any Equity Shares in our Company, proposes to procure or seek an investment from a telecom operator. Also, members of the Bharti Group and the STI Group have certain non-compete restrictions in connection with our domestic long-distance telecommunications operations, corporate data network service business, and mobile business.

While we have enjoyed a very productive partnership with the STI Group since their acquisition of certain Equity Shares in the year 2000, events in future cannot be predicted with any degree of certainty. In the event of a conflict of interest, in future, between Bharti Group and STI Group, there could be an adverse effect on our ability to execute our business strategy or operate our business and may have a material adverse effect on our operations.

39. *Our contingent liabilities could adversely affect our financial condition if they materialize.*

We have created provisions for certain contingent liabilities in our Financial Statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, please see the sections titled “*Financial Statements – Interim Condensed Consolidated Financial*

Statements – Note 9 – Contingent liabilities and commitments” on page 258 and “Summary of Letter of Offer” on page 14.

- 40. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.**

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled “Objects of the Issue” on page 78.

- 41. A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from Axis Bank Limited, ICICI Bank Limited, JP Morgan Chase Bank and the Hong Kong and Shanghai Banking Corporation Limited, which are affiliates of the Lead Managers to the Issue i.e., Axis , I-Sec, J.P. Morgan and HSBC , respectively.**

We propose to repay certain loans obtained from Axis Bank Limited, ICICI Bank Limited, JP Morgan Chase Bank and The Hong Kong and Shanghai Banking Corporation Limited from the Net Proceeds as disclosed in “Objects of the Issue” on page 78. Axis Bank Limited, ICICI Bank Limited, JP Morgan Chase Bank and The Hong Kong and Shanghai Banking Corporation Limited, which are respective affiliates of the Lead Managers to the Issue, i.e., Axis , I-Sec, J.P. Morgan and HSBC and are not an associate of the Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. Loans and facilities sanctioned to our Company by Axis Bank Limited, ICICI Bank Limited, JP Morgan Chase Bank and HSBC, are part of their normal commercial lending activity and we do not believe that there is any conflict of interest under the SEBI (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. For details, see “Objects of the Issue” on page 78.

- 42. Environmental and health regulation imposes additional costs and may affect the results of our operations.**

Our tower infrastructure and telecom business are subject to various national, state-level and municipal environmental laws and regulations in India concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws can impose liability for non-compliance with applicable regulations and are becoming more stringent with enforcing service quality standards and levying related penalties and may in the future create substantial environmental compliance or remediation liabilities and costs. While we intend to comply with applicable environmental legislation and regulatory requirements and believe that we are materially in compliance with these as of today, it is possible that such compliance may become costly. In addition to potential clean-up liability, we may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on our operations. We may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with standards that are more rigorous or other requirements or incur capital and operating expenses for environmental compliance. In addition, third-parties may sue us for damages and costs resulting from environmental contamination emanating from its properties.

The discharge of materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the national governments or the state governments where our towers are located, including India, Sri Lanka and throughout our operations in Africa.

We, including the Airtel Africa Group are subject to health, safety and environmental laws and regulations and industry standards related to the Airtel Africa Group’s operations in each of our operating countries. The requirements of these laws and regulations are complex, change frequently and could become more stringent in the future, including new laws and regulations that may increase the cost of operating the real estate sites underlying the Airtel Africa towers above currently expected levels and require substantial future capital and other expenditures. The effect of any future laws and regulations or industry standards or any changes to existing laws and regulations or industry standards, or their current interpretation, could have a material adverse effect on the Airtel Africa Group’s business, results of operation, financial condition and prospects.

43. Our ability to operate our business effectively could be impaired if we fail to attract and retain key personnel.

Our ability to operate our business and implement our strategy depends, in part, on the continued contributions of our executive officers and other key employees. . The loss of any of our key senior executives could have an adverse effect on our business unless and until a replacement is found. A limited number of persons exist with the requisite experience and skills to serve in our senior management positions. We may not be able to locate or employ qualified executives on acceptable terms. In addition, we believe that our future success will depend on its continued ability to attract and retain highly skilled personnel with experience in the key business areas in which we operate. Competition for such persons is intense and we may not be able to successfully recruit, train or retain qualified managerial personnel. Our attrition rate for the key managerial personnel for Fiscals 2019, 2018, and 2017 is as follows:

S. No.	Fiscal	Number of Key Managerial Personnel	Attrition
1.	Fiscal 2019	3	1
2.	Fiscal 2018	3	0
3.	Fiscal 2017	3	1
Average Attrition Rate (%)		22.22	

Note: Change in key managerial personnel includes only resignations

There can be no assurance that we will attract and retain skilled and experienced employees and, should we fail to do so, or lose any of our key personnel, our business and growth prospects may be harmed and our cash flows, results of operations and financial condition could be adversely affected.

Similarly, the Airtel Africa Group's success relies on its central and local management team and other highly skilled personnel. The Airtel Africa Group's ability to maintain its competitive position and to implement its business strategy relies on the continued services of its executive officers and other members of senior management, both at the Airtel Africa's Group level and at its key operating subsidiaries. The Airtel Africa Group's inability to successfully integrate, recruit, train, retain and motivate key skilled employees could have a material adverse effect on its business, results of operations, financial condition and prospects. The Airtel Africa Group depends on good relations with its employees, and any significant labour disputes or work stoppages may materially adversely affect its business, results of operations, financial condition and prospects.

44. Our business relies on sophisticated billing, credit control systems, and any problems with these systems could interrupt its operations.

Sophisticated billing and credit control systems are critical to our ability to increase revenue streams, avoid revenue losses, monitor costs, potential credit problems, and bill customers properly and in a timely manner. New technologies and applications are expected to create increasing demands on billing and credit control systems. Any damage or interruptions in operation or failure of servers, which are used for our billing and credit control systems, could result in an interruption in our operations, and this in turn could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations.

We are dependent on several complex software packages that record minutes used, calculate the appropriate charge and then deduct the amount due from the account of the pre-paid subscriber or record the amount payable by the relevant post-paid subscriber. Any failure to properly capture the services provided or to charge the appropriate amount could have an adverse effect on our revenue. While no system or process can ensure total capture and some loss of income is common, if such leakages with respect to revenue determination increase, or are higher than those of our competitors, then our business and results of operations could be adversely affected.

Similarly, we are also dependent on several sophisticated processes for our customer verification and activation services. Our customer verification and activation function ensures that all necessary documents are procured from pre-paid customers at the time of subscription in compliance with regulatory requirements in relation to verification of the identity of our customers. The DoT has issued guidelines in November 2012 for the verification of customers, containing a wide range of changes to customer activation processes, disconnection and other related matters. There are outstanding proceedings initiated against us for undertaking inadequate KYC, which may be adjudicated against us, resulting in us incurring penalties.

In the event regulatory agencies direct us to release certain customer data and records in accordance with applicable law and upon analyzing such information, it is alleged that we did not maintain acceptable internal processes for customer verification and activation, we may be subject to penalties and fines by DoT or TRAI. Further, weak internal processes could adversely affect our market position, especially if competitors have faster and better-coordinated systems for mobility subscriber activation.

45. *Our Company has not independently verified the information pertaining to Joint Ventures and Associate Companies.*

Our Company has 15 Joint Ventures and Associate Companies. Such entities operate independently and we are not involved in the day-to-day management of operations of our Joint Ventures and Associate Companies. The information pertaining to Joint Ventures and Associate Companies, which is included in this Letter of Offer has not independently verified by our Company and is based on certificates, confirmations, and representations received from such entities or from certificates received from an independent chartered accountant.

46. *We have not determined whether we will be treated as, and may be treated as, a Passive Foreign Investment Company ("PFIC"). If we are classified as a PFIC, there may be adverse federal income tax consequences for U.S. investors.*

We cannot determine with certainty, and have not determined, whether we will be treated as a PFIC for U.S. federal income tax purposes for the current taxable year, and may not be able to make such a determination in future years. It is possible that we may be considered to be a PFIC for the current or any future year. The determination of whether we are a PFIC is a factual determination made annually based on various facts and circumstances and thus is subject to change, and the principles and methodology used in determining whether a company is a PFIC are subject to interpretation. In general, we will be classified as a PFIC for any taxable year in which either (1) at least 75% of our gross income is passive income; or (2) at least 50% of the value (determined on the basis of a quarterly average) of our assets is attributable to assets that produce or are held for the production of passive income.

If we are classified as a PFIC in any year during which a U.S. investor owns our Rights Equity Shares and Equity Shares, a U.S. investor will generally be subject to special rules (regardless of whether we continue to be a PFIC) with respect to (i) any "excess distribution" (generally, any distributions received by the U.S. holder on the Rights Equity Shares and Equity Shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. investor in the three preceding taxable years or, if shorter, the U.S. investor's holding period for the Rights Equity Shares and Equity Shares); and (ii) any gain realised on the sale or other disposition of the Rights Equity Shares and Equity Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. investor's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If we are classified as a PFIC, a U.S. investor holding the Rights Equity Shares and Equity Shares will generally be subject to similar rules with respect to distributions to us by, and dispositions by us of the stock of, any direct or indirect subsidiaries of the Company that are also PFICs.

Although a "qualified electing fund" election would mitigate some of the adverse tax consequences of holding an equity interest in a PFIC, we do not intend to provide the information that would enable an investor to make this election. However, if the Rights Equity Shares and Equity Shares are regularly traded on a qualifying exchange, a U.S. investor can avoid the interest charge by making an election to recognise gains on a mark to market basis. However, the mark to market election will not be available with respect to direct or indirect subsidiaries of the Company that are PFICs unless the equity shares of such subsidiaries are regularly traded on a qualifying exchange. U.S. investors are urged to consult their tax advisers about the application of the PFIC rules to our Company and their equity interest therein.

Additional Risk Factors specific to Airtel Africa Group

47. *The Airtel Africa Group is reliant on local management to provide accurate and timely reporting.*

The Airtel Africa Group's business model emphasizes local decision-making and responsibility through a decentralized organisational structure, in which local managing directors retain substantial autonomy regarding the management and oversight of operations in its local markets. As a result of such

decentralization, the Airtel Africa Group relies on local management for financial and other reporting purposes. A failure of local management to report, a delay in reporting, or inaccurate reporting could lead the Airtel Africa Group to omit to take decisions, or to take decisions on an uninformed basis or to report inaccurate data.

48. *Mobile money services in Africa are subject to a new and evolving regulatory environment.*

In markets in which the Airtel Africa Group has launched or intends to launch Airtel Money services, the regulations governing mobile money services are new and evolving and, as it develops, regulations could become more onerous, either by imposing additional licensing, reporting, pricing or control requirements or by limiting the Airtel Africa Group's flexibility to design or implement new products, either of which may limit its ability to provide mobile money services efficiently or at all. Any need to obtain licenses, certifications or other regulatory approvals could impose substantial costs and involve considerable delay to the provision or development of Airtel Money services in a given market, or could require significant and costly operational changes or prevent the Airtel Africa Group from providing any services in a given market, which could materially adversely affect its business, results of operations, financial condition and prospects.

49. *Certain of the Airtel Africa Group's operating subsidiaries are loss-making.*

The Airtel Africa Group's operating subsidiaries in Democratic Republic of Congo, Chad, Congo and Gabon are regulated by the Organization for the Harmonization of Business Law in Africa ("OHADA"), a system of corporate law and implementing institutions adopted by 17 countries in west and central Africa. OHADA promulgated the Uniform Act on Commercial Companies and Economic Interest Groups in April 1997 and adopted a revised version thereof in January 2014 (together, the "Uniform Act"), which regulates the behaviour of commercial companies with a registered office in any country that is party to the OHADA Treaty on the Harmonization of Business Law in Africa. Among other provisions, the Uniform Act requires companies to maintain shareholders' equity levels corresponding to at least half of the registered share capital in order to limit the risk of bankruptcy. Where an entity is non-compliant with this requirement and fails to rectify any non-compliance within two years, any interested party can petition the relevant court to seek the winding up of the entity.

The Airtel Africa Group's primary operating subsidiaries in each of these countries, as well as Airtel Money Congo RDC S.A. in DRC, are not in compliance with this requirement. Although each of these entities has a shareholder loan in place, in each case which is in excess of the respective operating subsidiaries' negative reserves and which is convertible into equity, and although the Airtel Africa Group has developed a strategy to effect the recapitalization of each non-compliant entity, there can be no assurance that the subsidiaries' respective third-party creditors will not initiate winding up procedures, or that the shareholder loans can be converted into equity within the six-month curative period provided by the Uniform Act.

50. *The Airtel Africa Group operates a large distribution and channel partner network and is reliant on good working relationships with its franchisees and other third-party distributors.*

The Airtel Africa Group sells the majority of its services through physical locations across its footprint. The distribution network comprises of over 19,000 exclusive Airtel Money branches, mini-shops and kiosks, around 213,391 SIM selling outlets, 251,388 Airtel Money agents and over 1.6 million outlets selling airtime. Over 90% of our new subscribers are acquired through this digital acquisition process across our channels. Under certain arrangements, such as company-owned, franchisee-operated or franchisee-owned, franchisee-operated retail outlets, the Airtel Africa Group is not the exclusive operator of its retail points of sale. If franchisees fail to implement the Airtel Africa Group's operational standards, the Airtel Africa Group could be exposed to risk of fraud and money laundering, imposition of fines or other penalties and potential reputational damage. Further, if franchisees decide to give preference to the Airtel Africa Group's competitors or cease to do business with the Airtel Africa Group, it could have a material adverse effect on the Airtel Africa Group's business, results of operations and financial condition.

51. *Certain of the Airtel Africa Group's operating subsidiaries are, or may in the future be, subject to local listing or ownership requirements, which may be difficult or costly to comply with in a timely manner, or at all, and which could make it harder for the Airtel Africa Group to achieve its strategic objectives or which could otherwise have an adverse effect on the Airtel Africa Group.*

In certain jurisdictions, the Airtel Africa Group may choose or be required due to legal requirements to undertake a listing of all or some of the shares of the Airtel Africa Group's operating subsidiaries on a local

stock exchange or be required to comply with local ownership requirements. Airtel Malawi Limited (“Airtel Malawi”), the Airtel Africa Group's primary operating subsidiary in Malawi, must comply with a similar requirement of at least 20% Malawian citizenship ownership (the “Malawian Citizenship Ownership Requirement”) under the Communications Act of 2016 and the Communications (Telecommunications and Broadcasting Licensing) Regulations of 2016, which required compliance with the Malawian Citizenship Ownership Requirement by November 25, 2018, and of at least 25% Malawian citizenship ownership under the listing rules of the Malawi Stock Exchange. The Airtel Africa Group is taking all actions to comply with the Malawian Citizenship Ownership Requirement and continues to engage with the regulators to comply with the requirements. The Malawian regulator has imposed a fine of approximately US\$620,000, which has been appealed given the good faith efforts the Airtel Africa Group has undertaken to comply with the Malawian Citizenship Ownership Requirement. As on date, the appeal remains under consideration by the relevant authorities. If the Airtel Africa Group fails to comply in a timely manner with any of these requirements or in other jurisdictions into which a similar requirement is introduced, it could be subject to fines, penalties (including criminal penalties), litigation and other enforcement actions, including, in extreme cases, withdrawal of the applicable network facilities license, which could have a material adverse effect on the Airtel Africa Group's business, results of operations, financial condition and prospects.

52. *The Airtel Africa Group is dependent on interconnection with its competitors' networks and associated infrastructure as well as roaming arrangements with other international telecommunications operators.*

Interconnection agreements allow the Airtel Africa Group to connect local, long distance and international calls that originate on its networks but terminate on other operators' networks, or vice versa. In the future, the Airtel Africa Group may not be able to maintain or renew its interconnection agreements on a timely basis or on terms that are commercially acceptable to it and any material increase in the interconnection expenses could have a material adverse effect on the Airtel Africa Plc's financial condition and the results of operations.

The Airtel Africa Group is also dependent, to a lesser extent, upon roaming agreements with other international telecommunications operators as a source of revenue when other telecommunications operators' customers roam on the Airtel Africa Group's networks and when the Airtel Africa Group's customers roam on other international telecommunications operators' networks. If these roaming agreements were to terminate, or if the other international telecommunications operators were to deploy technologies that are incompatible with the Airtel Africa Group's networks, the Airtel Africa Group's roaming revenues and profits may be materially reduced.

53. *The Airtel Africa Group's operations are partly dependent upon the economic cycles of the markets in which the Airtel Africa Group operates.*

The Airtel Africa Group operates in countries with economies in various stages of development and structural reform, some of which are subject to rapid fluctuations in consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. Such fluctuations may impact the ability of customers to pay for the Airtel Africa Group's products and services or the amount of disposable income otherwise available to consumers in the markets in which it operates, which could have a material adverse effect on the Airtel Africa Group's business, results of operations and financial condition.

54. *It may be difficult for the Airtel Africa Group to obtain all licenses, permits, frequency allocations or other authorizations required to operate its existing network or to expand its operations or any other required licenses, permits or other authorizations, and once obtained they may be subject to finite terms, ongoing review or periodic renewal, any of which may result in modification, suspension or early termination.*

The operation of telecom networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and regulatory authorities in the countries where the Airtel Africa Group operates. The Airtel Africa Group's operating licences or authorizations specify the services it is permitted to offer. The operating licenses are subject to review, interpretation, modification or termination by the relevant authorities and the regulatory framework applicable to such licenses may be amended from time to time. There can be no assurance that the relevant authorities will not take any action that could materially adversely affect the Airtel Africa Group's operations. In addition, the Airtel Africa Group may have difficulty obtaining the necessary licenses, permits, frequency allocations or authorizations to the extent it seeks to expand its existing operations, including by entering into new markets. There can be no assurance that the Airtel Africa Group will be successful in obtaining or funding

these licenses or allocations, or, if such licenses or allocations are awarded, that they can be obtained on terms acceptable to the Airtel Africa Group.

While the Airtel Africa Group does not expect that it or any of its subsidiaries will be required to cease operations at the end of the term of their business arrangements or licenses, and while many of these licenses provide for terms on which they may be renewed, there can be no assurance that these business arrangements or licenses will in all cases be renewed on equivalent or satisfactory terms, or at all. A suspension or termination of the Airtel Africa Group's licenses or other necessary governmental authorizations could have a material adverse effect on the Airtel Africa Group's reputation, business, results of operations, financial condition and prospects.

55. *Several countries and regions in which the Airtel Africa Group operates have experienced economic, regulatory, political and civil instability that could adversely affect the economy in the Airtel Africa Group's markets and, therefore, the Airtel Africa Group's business, results of operations, financial condition and prospects.*

Many of the countries in which the Airtel Africa Group operates can be affected by economic downturns attributable to factors such as commodity price fluctuations, reduced financial aid, capital inflows and remittances, which can have an adverse effect on consumer spending which in turn could have a material adverse effect on the Airtel Africa Group's business.

Further, governmental instability in one or more countries in which the Airtel Africa Group operates could in turn negatively impact the country's economy which could have a material adverse effect on the Airtel Africa Group's business, results of operations and financial condition. The Airtel Africa Group may also be exposed to a lack of certainty with respect to the legal systems in a number of countries in which it operates, and, such legal systems may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law. The occurrence of such risks could have a material adverse effect on the Airtel Africa Group's business, results of operations and financial condition.

56. *The Airtel Africa Group is exposed to the risk of violations of sanctions laws or other similar regulations.*

The Airtel Africa Group operates in jurisdictions that may expose it to heightened risks with respect to anti-bribery and sanctions laws and regulations. Violations of sanctions laws and regulations could expose the Airtel Africa Group to potential civil or criminal penalties under the relevant applicable sanctions laws, which may have material adverse consequences on its business, financial condition, results of operations and prospects.

57. *Actions by governments, political events or instability or changes in public policy in the countries in which the Airtel Africa Group operates could have an adverse effect on the Airtel Africa Group's business.*

Governments in some of the countries in which the Airtel Africa Group operates may at times be influenced by political or commercial considerations outside of the Airtel Africa Group's control, and may act arbitrarily, selectively or unlawfully. For example, in December 2017, the Tanzanian government, then a 40% shareholder in Airtel Tanzania plc, the Airtel Africa Group's primary Tanzanian operating subsidiary ("**Airtel Tanzania**"), alleged that the initial privatisation of Tanzania Telecommunications Company Limited, resulting in the creation of Celtel Tanzania B.V. (now Airtel Tanzania) in 2001 and certain divestments in 2005 were completed in violation of applicable law, and that the Tanzanian government was, therefore, entitled to sole ownership of Airtel Tanzania. Further, in March 2018, the Government of Tanzania has raised tax claims of approximately US\$874 million against Bharti Airtel International (Netherlands) B.V. ("**BAIN**"), primarily relating to capital gains on transfers of ownership of Airtel Tanzania in 2005 and in 2010 and has assessed various taxes against Airtel Tanzania totaling approximately US\$47 million. In April 2018, the Government of Tanzania also issued a compliance decision alleging Airtel Tanzania failed to obtain the requisite approvals from the Tanzania Communications Regulatory Authority ("**TCRA**") in connection with transfers of ownership that took place in 2005 and 2010 and levied a fine of approximately \$183 million.

The Airtel Africa Group has disputed the merits of each of these claims in its entirety. In January 2019, the Government of Tanzania and the Airtel Africa Group agreed (subject to detailed agreements) to: the Government of Tanzania's withdrawal of the aforesaid tax claims and TCRA fines and the entry into an agreement between the parties for provision of support services in order to support Airtel Tanzania's development; approve the sale of towers owned by Airtel Tanzania and to allow a significant portion of the

net sale proceeds towards repayment of the outstanding shareholder loan granted to Airtel Tanzania by Bharti Airtel Tanzania BV (“**BATBV**”); either exempt Airtel Tanzania from listing in Tanzania or ensure that the Airtel Africa Group’s beneficial ownership of Airtel Tanzania will not decrease below 51% at any time and that any shares to be offered to the public in compliance with the Tanzanian Electronic and Postal Communications Act of 2010 (“**EPOCA**”) will be offered by the Government of Tanzania; increase the Tanzanian government’s shareholding in Airtel Tanzania to 49% at zero effective cost; receipt by BATBV of the agreed portion of the sale proceeds from the sale by Airtel Tanzania of its tower portfolio, which shall be treated as full repayment by Airtel Tanzania of BATBV’s outstanding shareholder loan.

If the January 2019 understanding does not result in detailed agreements between the Government of Tanzania and the Airtel Africa Group on substantially similar terms, the Airtel Africa Group’s recourse will be through the pursuit of proceedings in Tanzania and in international fora, the outcome of which is uncertain and which may divert financial and management resources away from the business.

Any similar actions in other markets in which the Airtel Africa Group operates could negatively impact the Airtel Africa Group.

58. *Price regulations in certain of the Airtel Africa Group’s operating countries influence, and will continue in the future to influence, the Airtel Africa Group’s margins and impact return on investment.*

The Airtel Africa Group is subject to price regulation with respect to retail price controls in three of the 14 countries in which it operates. In these countries, the relevant government or regulator imposes a floor on the price at which certain of the Airtel Africa Group’s voice and data services can be sold. If a government or regulator elects to introduce new or more restrictive pricing regulations in the markets in which the Airtel Africa Group operates, the Airtel Africa Group’s business, results of operations and financial condition could be materially adversely affected.

59. *The imposition of exchange controls and limits on convertibility of funds in the countries in which the Airtel Africa Group operates may restrict the Airtel Africa Plc’s ability to transfer and receive funds from within the Airtel Africa Group.*

The introduction of new foreign exchange controls, new interpretations of existing foreign exchange controls or future shortages of foreign currency would subject local currency held by the Airtel Africa Group’s operating companies to variations in the exchange rate between the local currency and the relevant foreign currency. If the Airtel Africa Group fails to adequately protect against currency exchange risk, the costs of servicing its debt obligations and providing its services may increase, which could have a material adverse effect on its business, results of operations, financial condition and prospects. Moreover, if the value of the currencies in which the Airtel Africa Group derives its revenue declines relative to the currency in which its borrowing is denominated, it could increase the debt servicing costs of, and the financial burden on, the Airtel Africa Group.

60. *Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business could have an adverse effect on the Airtel Africa Group’s business, results of operations and financial condition.*

Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business can result in increased costs for the Airtel Africa Group as well as create situations that could negatively impact the Airtel Africa Group’s ability to conduct and grow its business, which could have an adverse effect on the Airtel Africa Group’s business, results of operations and financial condition. A lack of access to, or inadequate opportunities to expand the Airtel Africa Group’s network capacity in line with subscriber growth and increased usage per subscriber, could also negatively impact its ability to offer new services to customers or impede its ability to expand its operations into new markets.

61. *The Airtel Africa Group’s operations are subject to risks relating to fraud, bribery, theft and corruption.*

While the Airtel Africa Group maintains and regularly updates its IT and control systems, anti-corruption training programme, codes of conduct, KYC procedures and other safeguards, it may not be possible for the Airtel Africa Group to detect or prevent every instance of fraud, bribery, theft and corruption in every jurisdiction in which the Airtel Africa Group’s employees, agents, sub-contractors or commercial partners are located. If adverse investigations or findings are made against the Airtel Africa Group or its directors, officers, employees, commercial partners or third-party contractors are found to be involved in bribery or corruption or other illegal activity, this could result in criminal or civil penalties, including substantial

monetary fines, against our Company and other members of the Airtel Africa Group which could damage the Airtel Africa Group's reputation and business.

- 62. *The Airtel Africa Group faces risks relating to its property and towers portfolio, including failure by the Airtel Africa Group to renew leases, which could lead to decreased revenue, reduce its network capacity and markets or raise its costs.***

The Airtel Africa Group has to obtain the rights to construct and operate its towers and base stations (including broadband stations), distribution outlets and other premises on land owned by third parties and governmental agencies. The Airtel Africa Group is, as a result, subject to the possibility of more burdensome terms and increased costs to maintain necessary land use if its leases and rights-of-way lapse or terminate or it is determined that the Airtel Africa Group does not have valid leases or rights-of-way. The Airtel Africa Group's loss of these rights, through its inability to renew contracts or otherwise, could have a material adverse effect on its business, results of operations and financial condition and prospects.

- 63. *The tax laws of the countries in which the Airtel Africa Group operates or changes thereto or to the Airtel Africa Group's tax profile could result in a higher tax expense or a higher effective tax rate on the Airtel Africa Group's worldwide earnings.***

A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of the Airtel Africa Group's deferred tax assets, which are beyond the Airtel Africa Group's control, could result in a materially higher tax expense or a higher effective tax rate on the Airtel Africa Group's worldwide earnings. Additionally, any expansion into new jurisdictions could adversely affect the Airtel Africa Group's tax profile and significantly increase its future cash tax payments.

- 64. *The Airtel Africa Group's operations in Nigeria represent a large percentage of the Airtel Africa Group's operations, and changes in demand for the Airtel Africa Group's services in Nigeria or other factors could have a negative effect on the Airtel Africa Group's business.***

The Airtel Africa Group's operations in Nigeria contribute a significant portion of the Airtel Africa Group's revenues and profit from operating activities, and are likely to continue to account for a large portion of the Airtel Africa Group's business in the future. There can be no assurance that the Airtel Africa Group can sustain these current levels or that demand in Nigeria for the Airtel Africa Group's services will increase. In the event that there are adverse political, regulatory, competitive or other developments in Nigeria, revenues from these markets could decline and the Airtel Africa Group's business may be adversely affected.

- 65. *The Airtel Africa Group is subject to inflation risks, which might adversely affect its business, results of operations, financial condition and prospects.***

The Airtel Africa Group operates in several countries, some of which have at times experienced relatively high rates of inflation. The volatility of the local currencies in those jurisdictions is a significant factor in reporting the Airtel Africa Group's costs on a USD basis. High rates of inflation in some of the countries in which the Airtel Africa Group operates may also cause consumer purchasing power to decrease, which may reduce consumer demand for the Airtel Africa Group's services, particularly in those markets with lower levels of disposable income. It is possible that significantly higher inflation in the future could have a material adverse effect on the Airtel Africa Group's business, results of operations, financial condition and prospects.

External Risk Factors

- 66. *Our operations are conducted across geographies and our results of operations are subject to fluctuation in exchange rates of currencies.***

Our Company maintains its accounts and reports its financial results in Indian Rupees. However, a number of our Subsidiaries and Associate Companies operate in countries outside India, including in Sri Lanka and various countries in Africa where a substantial portion of its revenues are denominated in its respective local currencies. Our revenues from Mobile Services Africa and Mobile Services South Asia segment were ₹ 205,609 million and ₹ 171,662 million for fiscal 2018 and the nine months ended December 31, 2018, respectively, which constituted 24.57% and 28.13% of our consolidated revenue from operations, respectively, for the corresponding periods. Additionally, our Company makes significant purchases of services and equipment in foreign currencies. Further, our Company has outstanding debt capital market instruments in multiple currencies – USD, Euros, XAF, XOF, LKR and CHF, as on December 31, 2018.

As such, our Company is exposed to risks relating to exchange rate fluctuations, particularly in USD and Euros. Our Company uses various foreign exchange forwards and derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates. The availability of any such derivative/hedging instruments are subject to regulations, market conditions in the geographies of our presence and thus may not be available at all points of time or in an efficacious manner. Further, such derivative instruments may not fully mitigate the risk of fluctuations and company may continue to not fully cover its foreign exchange and floating rate liabilities. Unfavorable movements in currency exchange rates may materially adversely impact our business, results of operations, cash flows and financial condition.

The Airtel Africa Group prepare the financial statements in USD but derives revenue and incurs costs in the local currencies used in the different countries in which they have operations. Further, extracting cash from certain countries in which the Airtel Africa Group operates can be challenging due to exchange controls, liquidity deficits and cash shortages in respect of international payments from time to time. Accordingly, movements in exchange rates between these currencies and the USD could have a negative effect on the Airtel Africa Group's results of operations and financial condition to the extent there is a mismatch between its earnings in any foreign currency and its costs that are denominated in that currency.

Where possible, the Airtel Africa Group manages foreign currency risk by matching same currency revenue to same currency expenses, and by strategically denominating debt in certain functional currencies in order to match with projected functional currency exposures. Nonetheless, the Airtel Africa Group has a material amount of borrowings, operating and capital expenses in currencies other than those in which it derives revenue. Where appropriate, the Airtel Africa Group enters into certain hedging arrangements to mitigate foreign exchange risk and may enter into further hedging arrangements in the future. Hedging itself carries certain risks, including that they may need to pay a significant amount (including costs) to terminate any hedging arrangements. There is no guarantee that the Airtel Africa Group will be successful with this strategy.

67. *Our infrastructure, including our network equipment and systems may be vulnerable to natural disasters, security risks and other events that may disrupt our services and could affect our business, financial condition, cash flows and results of operations and other unforeseen damage for which its insurance may not provide full coverage*

Our business depends on providing subscribers with service reliability, network capacity, security and account management. This, however, may be subject to disruptions resulting from numerous factors, including fire, flood or other natural disasters, signal jamming, power outages, acts of terrorism and vandalism, equipment or system failures and breaches of network or information technology security. Also, our network operations have been interrupted as a result of natural calamities such as the floods in the Jammu and Kashmir region in September 2014, Tamil Nadu in December 2015, Kerala in August 2018, floods and landslides in the North Indian state of Uttarakhand that occurred in June 2013, and the super cyclonic storms in the eastern and southern states of India that occurred in October 2013 and December 2016, respectively. The Airtel Africa Group is also dependent on the uninterrupted operation of its telecommunications networks to provide its services. Airtel Africa Group's network, including its information systems, information technology and infrastructure, and the networks of other operators with which its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including power loss, equipment and technical failure, signal jamming, power outages, acts of terrorism and vandalism, breaches of network or information technology security network software flaws, aging infrastructure, human error, wilful acts of destruction, transmission cable disruption or other similar events. Any interruption in our or Airtel Africa Group's operations or the provision of any service could damage its ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on their brand, business, results of operations, financial condition and prospects. The Airtel Africa Group's operations could be adversely affected by natural disasters or other catastrophic events beyond its control. The occurrence of any of these events may cause disruptions to the Airtel Africa Group's operations in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Airtel Africa Group to liability or impact its brands and reputation and may otherwise hinder the normal operation of the Airtel Africa Group's business, which could materially adversely affect its business, results of operations, financial condition and prospects.

While the percentage of assets covered under insurance vis-a vis the total assets (calculated as the sum of gross block value of total property, plant and equipment (excluding land and vehicles) and capital work in-progress on consolidated basis) of our Company, as on March 31, 2018, is 96%, we may not have insurance against all the contingencies, or our insurance may not be adequate to cover all losses from these

events. If any of these events were to occur, it could cause limited or severe service disruption, which could result in subscriber dissatisfaction, regulatory penalties and reduced revenues. In addition, we rely on manufacturers of telecommunications equipment for continued maintenance service and supply, and their continued cooperation is important for us to maintain our operations without disruption. Any interruption in services could harm our business and reputation and reduce the confidence of our subscribers and consequently impair our ability to obtain and retain subscribers and could lead to a violation of the terms of our various licenses, each of which could materially or adversely affect our business, financial condition, cash flows and results of operations.

Airtel Africa Group's operations subject it to various risks that are either not fully insured against or not insured against at all. Any future damage caused by its products or services that is not covered by insurance, is in excess of policy limits, or is not limited by contractual limitations of liability, could adversely affect the Airtel Africa Group's business, results of operations, financial condition and prospects.

68. *Economic uncertainties in the emerging and developing markets in which our Company operates could adversely affect our business, results of operations, cash flows and financial condition.*

We have presence and operations across 18 countries. Our strategy is to focus on growth opportunities in emerging and developing markets. These markets are characterized by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall within countries, which are more prone to economic uncertainties, such as capital controls, varying inflation, volatile interest rates and currency fluctuations. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

We follow a prudent risk management policy, including hedging mechanisms to protect the cash flows, however, economic conditions may determine availability of efficacious hedging products/mechanism and depth of markets to provide adequate risk management solutions. We have spread our debt profile across local and overseas sources of funds however, availability of capital in various currencies may be limited and is affected by market conditions and single obligor limits of lenders in those geographies among other things. Further, we have adopted a pricing strategy for effective management of our business operations, however, economic uncertainties may materially adversely impact our business, results of operations and financial conditions.

69. *Enforcement of foreign judgments against our Company or our management may not be possible or may require additional legal proceedings.*

Our Company is a limited liability company incorporated under the laws of India and majority of our Directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon our Company or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against our Company or its officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

- 70. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.**

Any adverse revisions to India's credit ratings or of the countries where Subsidiaries are present or ratings of financing partners/lenders or geographies their its operations, by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Equity Shares.

- 71. Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.**

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business and the Indian markets in which the Equity Shares trade or on which the Equity Shares are proposed to be listed. These acts may result in a loss of business confidence and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

Risks relating to the Equity Shares

- 72. We will not distribute this Letter of Offer, Abridged Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.**

We will dispatch this Letter of Offer, Abridged Letter of Offer and CAF (the "Issue Materials") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

- 73. The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.**

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form is available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.

- 74. Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoter or Promoter Group or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, including a preferential allotment, or through exercise of employee stock options may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of the Equity Shares by our Promoter or other major shareholders of our Company or a dilution of the post-Issue shareholding of our Promoter and Promoter Group, pursuant to a part renunciation in the Issue by our Promoter, BTL, may

adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares

75. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on long-term capital gains arising from sale of Equity Shares. However, where specified conditions are met, such long-term capital gains are only taxed to the extent they exceed ₹ 100,000 and unrealized capital gains earned up to January 31, 2018 continue to be exempt. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

76. *You may not receive the Equity Shares that you subscribe in the Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you may be allotted in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

77. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted subsequent to the approval of the Government, subject to satisfaction of certain conditions.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Also, see “*Restriction on Foreign Ownership of Indian Securities*” on page 360.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on February 28, 2019, pursuant to Section 62 of the Companies Act.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section “*Terms of the Issue*” on page 311.

	Issue Details in Brief
Rights Equity Shares being offered by our Company	Up to 1,133,591,075 Equity Shares
Rights Entitlement	19 Rights Equity Shares for every 67 Equity Shares held on the Record Date
Record Date	April 24, 2019
Issue Price per Rights Equity Share	₹ 220
Face Value per Rights Equity Share	₹ 5
Issue Size	Up to ₹ 249,390.04 million
Equity Shares subscribed, paid-up and outstanding prior to the Issue	3,997,400,107 Equity Shares of ₹5 each
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	5,130,991,182 Equity Shares of ₹5 each
Security Codes for the Equity Shares	ISIN: INE397D01024 BSE: 532454 NSE: BHARTIARTL
Terms of the Issue	See “ <i>Terms of the Issue</i> ” on page 311
Use of Issue Proceeds	See “ <i>Objects of the Issue</i> ” on page 78
Terms of Payment	The full amount is payable on application

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Financial Statements. Our summary financial information presented below, is in Rupees/ Rupees million and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section “*Financial Information*” on page 113.

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Consolidated Balance Sheet

	(In ₹ million)	
	December 31, 2018	March 31, 2018
Assets		
Non-current assets		
Property, plant and equipment	784,087	706,079
Capital work-in-progress	96,724	52,089
Goodwill	336,098	328,070
Other intangible assets	857,051	837,855
Intangible assets under development	19,181	45,423
Investment in joint ventures and associates	89,250	86,839
Financial assets		
- Investments	21,645	5,769
- Derivative instruments	2,135	2,031
- Security deposits	11,669	9,703
- Others	3,482	5,814
Income tax assets (net)	16,070	25,505
Deferred tax assets (net)	84,497	29,330
Other non-current assets	53,647	36,319
	2,375,536	2,170,826
Current assets		
Inventories	1,116	693
Financial assets		
- Investments	38,189	68,978
- Derivative instruments	558	8,941
- Trade receivables	48,955	58,830
- Cash and cash equivalents	43,458	49,552
- Other bank balances	21,461	17,154
- Others	19,935	27,462
Other current assets	145,906	103,380
	319,578	334,990
Total assets	2,695,114	2,505,816
Equity and Liabilities		
Equity		
Share capital	19,987	19,987
Other equity	691,110	675,357
Equity attributable to owners of the Parent	711,097	695,344
Non-controlling interests	120,962	88,139
	832,059	783,483
Non-current liabilities		
Financial liabilities		
- Borrowings	901,513	849,420
- Derivative instruments	3,149	5,409
- Others	46,612	44,547
Deferred revenue	18,640	22,117
Provisions	6,626	7,212
Deferred tax liabilities (net)	8,190	10,606
Other non-current liabilities	537	623
	985,267	939,934
Current liabilities		
Financial liabilities		
- Borrowings	262,831	129,569
- Current maturities of long-term borrowings	46,124	134,346
- Derivative instruments	9,654	283
- Trade payables	297,379	268,536
- Others	156,207	140,605
Deferred revenue	49,959	48,666
Provisions	2,133	2,384
Current tax liabilities (net)	8,345	11,058
Other current liabilities	45,156	46,952
	877,788	782,399
Total liabilities	1,863,055	1,722,333
Total equity and liabilities	2,695,114	2,505,816

Consolidated Statement of Profit and Loss

	(In ₹ million)	
	December 31, 2018	March 31, 2018
Income		
Revenue	610,217	836,879
Other income	2,366	2,488
	612,583	839,367
Expenses		
Network operating expenses	164,278	197,520
Access charges	69,111	90,446
License fee / spectrum charges	52,138	75,558
Employee benefits expense	28,546	39,771
Sales and marketing expenses	39,306	55,766
Other expenses	64,965	77,027
	418,344	536,088
Profit from operating activities before depreciation, amortisation and exceptional items	194,239	303,279
Depreciation and amortisation	158,541	192,431
Finance costs	80,978	93,255
Finance income	(10,407)	(12,540)
Non-operating expenses / (income), (net)	1,835	141
Share of Profit of associates and joint venture (net)	(3,188)	(10,609)
(Loss) / profit before exceptional items and tax	(33,520)	40,601
Exceptional items (net)	(9,067)	7,931
Profit / (Loss) before tax	(24,453)	32,670
Tax expense / (credit)		
Current tax	16,357	18,230
Deferred tax	(51,924)	(7,395)
	11,114	21,835
Profit for the period	11,114	21,835
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss :		
Net losses due to foreign currency translation differences	(13,711)	(7,181)
Net gains / (losses) on net investment hedge	(3,043)	(8,024)
Net (losses) / gains on cash flow hedge	(878)	809
Net gains / (losses) on fair value through OCI investments	(34)	129
Tax credit / (charge)	4,758	(122)
	(12,908)	(14,389)
Items not to be reclassified to profit or loss :		
Re-measurement (losses) / gains on defined benefit plans	90	205
Tax credit / (charge)	(62)	18
Share of OCI of joint ventures and associates	(9)	(29)
	19	194
Other comprehensive income / (loss) for the period	(12,889)	(14,195)
Total comprehensive income / (loss) for the period	(1,775)	7,640
Profit for the period attributable to :	11,114	21,835
Owners of the Parent	3,023	10,990
Non-controlling interests	8,091	10,845
Other comprehensive income / (loss) for the period attributable to :	(12,889)	(14,195)
Owners of the Parent	(11,198)	(13,445)
Non-controlling interests	(1,691)	(750)
Total comprehensive income / (loss) for the period attributable to :	(1,775)	7,640
Owners of the Parent	(8,175)	(2,455)
Non-controlling interests	6,400	10,095
Earnings per share (Face value: Rs. 5/- each)		
Basic	0.76	2.75
Diluted	0.76	2.75

Consolidated Statement of Cash Flows
(₹ in million)
Cash flows from operating activities

	December 31, 2018	March 31, 2018
(Loss) / profit before tax	(24,453)	32,670

Adjustments for :

Depreciation and amortisation	158,541	192,431
Finance costs	80,978	93,255
Finance income	(10,407)	(12,540)
Share of results of joint ventures and associates	(3,188)	(10,609)
Exceptional items	(10,960)	325
Employee share-based payment expense	297	413
Loss on sale of assets	(200)	-
Other non-cash items	7,787	10,410

Operating cash flow before changes in working capital
Changes in working capital

Trade receivables	2,760	(24,474)
Trade payables	16,923	15,122
Inventories	(421)	(202)
Provisions	(357)	154
Other financial and non-financial liabilities	(11,945)	51,205
Other financial and non-financial assets	(50,416)	(35,899)

Net cash generated from operations before tax

Income tax paid	(6,113)	(13,723)
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Net cash generated from operating activities (a)
Cash flows from investing activities

Purchase of property, plant and equipment	(213,210)	(245,259)
Proceeds from sale of property, plant and equipment	1,083	5,655
Purchase of intangible assets	(27,553)	(17,749)
Payment towards spectrum - deferred payment liability	(6,668)	(9,909)
Net movement in current investments	27,959	(50,259)
Purchase of non-current investments	(34,641)	-
Sale of non-current investments	20,108	36,495
Investment in subsidiary, net of cash acquired / associate	-	(19,498)
Consideration / advance for acquisitions, net of cash acquired	(283)	-
Sale of tower assets	3,051	4,869
Investment in associate	(60)	(60)
Dividend received	11,440	10,377
Interest received	4,451	5,662

Net cash used in investing activities (b)
Cash flows from financing activities

Proceeds from borrowings	264,870	197,664
Repayment of borrowings	(252,908)	(130,717)
Net proceeds from short-term borrowings	32,710	(26,874)
Proceeds from sale and finance leaseback of towers	1,688	2,958
Repayment of finance lease liabilities	(3,748)	(3,932)
Purchase of treasury shares	(248)	(424)
Interest and other finance charges paid	(49,551)	(44,041)
Proceeds from exercise of share options	8	13
Dividend paid (including tax)	(46,617)	(32,652)
Proceeds from issuance of equity shares to NCI	90,348	21
Sale of interest in a subsidiary	16,238	57,189
Purchase of shares from NCI	(5,389)	-

Net cash generated from / (used in) financing activities (c)
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)

Effect of exchange rate on cash and cash equivalents	1,870	281
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Cash and cash equivalents as at beginning of the period

Cash and cash equivalents as at end of the period

GENERAL INFORMATION

Our Company was originally incorporated as ‘Bharti Tele-Ventures Limited’ on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by the RoC. Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to ‘Bharti Airtel Limited’ pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC. For details of change in our name and the registered office of our Company, see “*History and Corporate Structure*” on page 103.

Registered and Corporate Office, Corporate Identity Number and Registration Number of our Company

Bharti Airtel Limited

Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase II, New Delhi 110 070
India
Tel: +91 11 4666 6100
E-mail: compliance.officer@bharti.in
Website: www.airtel.in
CIN: L74899DL1995PLC070609
Registration Number: 070609

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, National Capital Territory of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Board of Directors

The following table sets out the details of our Board as of the date of this Letter of Offer:

Name	Designation	DIN	Address
Mr. Sunil Bharti Mittal	Chairman and Whole-time Director	00042491	19, Amrita Shergil Marg, New Delhi – 110 003, India
Mr. Gopal Vittal	Managing Director & CEO (India & South Asia)	02291778	A2/1202, World SPA East, Sector – 30, Gurgaon – 122 001, Haryana, India
Ms. Chua Sock Koong	Non-Executive Director	00047851	15A, Oei Tiong Ham Park, Singapore 268302
Mr. Rakesh Bharti Mittal	Non-Executive Director	00042494	4, Pearl Lane, DLF Chhattarpur Farms, New Delhi – 110 074, India
Ms. Tan Yong Choo	Non-Executive Director	02910529	22, Park Villas Green, Singapore 545430
Mr. Craig Edward Ehrlich	Independent Director	02612082	Block B, 6/F, Best View Court, 66, MacDonnell Road, Hong Kong
Mr. Dinesh Kumar Mittal	Independent Director*	00040000	B – 71, Sector – 44, Noida – 201 301, Uttar Pradesh, India
Mr. Manish Santoshkumar Kejriwal	Independent Director	00040055	3703 B, 37 th and 38 th Floor, Vivarea Building B Wing, Sane Guruji Marg, Jacob Circle, Mumbai – 400 011, Maharashtra, India
Mr. Shishir Priyadarshi	Independent Director	03459204	A-1/6, Panchsheel Enclave, New Delhi – 110 017, India

Name	Designation	DIN	Address
Mr. Vegulaparanan Kasi Viswanathan	Independent Director	01782934	F-01, 1 st Floor, Legacy Caldera, 56 SRT Road, Cunningham Road, Bengaluru – 560 052, Karnataka, India
Ms. Kimsuka Narasimhan	Independent Director**	02102783	No. 12, Marina Boulevard No.31-03, Marina Bay Financial Centre Tower 3, Singapore 018982

* Re-appointed for a further term of five years with effect from March 13, 2019 until March 12, 2024, pursuant to our Board resolution dated January 31, 2019, subject to approval of our Shareholders.

** Appointed as an additional director by our Board, pursuant to its resolution dated March 30, 2019, for a term of five years, i.e., from March 30, 2019 to March 29, 2024, subject to approval of our Shareholders.

Company Secretary

Mr. Pankaj Tewari

Company Secretary

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

Tel: +91 11 4666 6100

E-mail: company.secretary@bharti.in

Compliance Officer

Mr. Rohit Krishan Puri

Deputy Company Secretary and Compliance Officer

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

Tel: +91 11 4666 6100

E-mail: compliance.officer@bharti.in

Lead Managers to the Issue

Axis Capital Limited

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Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: bal.rights@axiscap.in
Investor grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Ms. Kanika Sarawgi / Ms. Mayuri Arya
SEBI Registration Number: INM000012029

J.P. Morgan India Private Limited

J.P. Morgan Towers
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Maharashtra, India
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E-mail: BALRIGHTS_2019@jpmorgan.com
Investor Grievance E-mail: investorsmb.jpmlpl@jpmorgan.com
Website: www.jpmlpl.com
Contact Person: Mr. Shagun Gupta
SEBI Registration Number: INM000002970

Goldman Sachs (India) Securities Private Limited

Rational House
951-A, Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6616 9000
E-mail: gsbhartiairtelrights@gs.com
Investor Grievance E-mail: india-client-support@gs.com
Website: www.goldmansachs.com
Contact Person: Mr. Rishabh Garg
SEBI Registration Number: INM000011054

HSBC Securities and Capital Markets (India) Private Limited

52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001
Maharashtra, India
Tel: +91 22 2268 5555
E-mail: bhartiairtelrights@hsbc.co.in
Investor Grievance E-mail: investorgrievance@hsbc.co.in
Contact Person: Ms. Sanjana Maniar

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
E-mail: bal.rights@icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Contact Person: Mr. Rupesh Khant / Ms. Nidhi

Website: www.hsbc.co.in/1/2/corporate/equities-global-investment-banking
SEBI Registration No.: INM000010353

Wangnoo
Website: www.icicisecurities.com
SEBI Registration No.: INM000011179

Domestic Legal Advisor to our Company

AZB & Partners

AZB House
Plot No. A8, Sector 4
Noida 201 301
India
Tel: +91 120 417 9999

Domestic Legal Advisor to the Lead Managers

Shardul Amarchand Mangaldas & Co

Amarchand Towers
216, Okhla Industrial Estate, Phase-III
New Delhi 110 020
India
Tel: +91 11 4159 0700

International Legal Counsel to the Lead Managers

Latham & Watkins LLP

9, Raffles Place
#42-02, Republic Plaza
Singapore 048619
Tel: +65 6536 1161

Statutory Auditors of our Company

Deloitte Haskins & Sells LLP, Chartered Accountants

Tower B, 10th Floor, Building 10
DLF Cyber City, DLF Phase 2
Gurugram, Haryana – 122 002
Tel: +91 124 679 2000
E-mail: nilahoti@deloitte.com
Firm Registration Number: 117366W/ W-100018
Peer Review Certificate Number: 009919

Registrar to the Issue

Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited)

Karvy Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda Serilingampally
Hyderabad Rangareddi 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: bhartiairtel.rights@karvy.com
Investor Grievance E-Mail: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221*

** This registration is held by the Registrar under the name 'Karvy Computershare Private Limited', and SEBI has, pursuant to an e-mail confirmed that the registration shall continue to remain valid for the Registrar, in view of the amalgamation of Karvy Computershare Private Limited into the Registrar, until it obtains a fresh registration, upon SEBI granting it prior approval for the change in its shareholding pattern resulting in a change in control of Karvy Computershare Private Limited, after obtaining the previous registration transferred in its name.*

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for,

amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non-ASBA process, see “*Terms of the Issue*” on page 311.

Experts

Our Company has received consent from its Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants through its letter dated April 19, 2019 to include its name as required under the provisions of the Companies Act, in this Letter of Offer in respect of (i) their audit report dated April 24, 2018 relating to Annual Audited Financial Statements and the audit report dated January 31, 2019 on the Interim Audited Financial Statements; and (ii) the statement of special tax benefits available to our Company, material subsidiary and shareholders, dated March 6, 2019, in accordance with the SEBI ICDR Regulations, as an “expert” as defined under Section 2(38) of the Companies Act and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the US Securities Act.

Bankers to the Issue

Escrow Collection Banks

Axis Bank Limited

UGF, Sector C, Pocket 9, Pawa Presidential Business Park
Vasant Kunj 110 070
Tel.: +91 11 4932 2999
Contact Person: Ms. V Seetalakshmi
E-mail: vasantkunj.branchhead@axisbank.com
Website: www.axisbank.com

HDFC Bank Limited

HDFC Bank Limited, FIG- OPS Department- Lodha I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station
Kanjurmarg (East) Mumbai 400 042
Tel.: +91 22 3075 2927/ 28/ 2914
Contact Person: Mr. Vincent Dsouza, Mr. Siddharth Jadhav, Mr. Prasanna Uchil
E-mail: vincent.dsouza@hdfcbank.com,
siddharth.jadhav@hdfcbank.com,
prasanna.uchil@hdfcbank.com
Website: www.hdfcbank.com

Refund Bank

Axis Bank Limited

UGF, Sector C, Pocket 9, Pawa Presidential Business Park
Vasant Kunj 110 070
Tel.: +91 11 4932 2999
Contact Person: Ms. V Seetalakshmi
E-mail: vasantkunj.branchhead@axisbank.com
Website: www.axisbank.com

Bankers to our Company

Axis Bank Limited

UGF, Sector C, Pocket 9, Pawa Presidential Business Park, Vasant Kunj
New Delhi 110 070
Tel.: +91 11 4932 2999
Contact Person: Ms. Seetalakshmi V
E-mail: vasantkunj.branchhead@axisbank.com
Website: www.axisbank.com

HDFC Bank Limited

HDFC Bank Ltd, 2nd Floor, Block- A
Vatika Atrium, Golf Course Road, Sector 53
Gurgaon 122 002
Tel.: +91 124 4664 325
Contact Person: Ms. Kamala S Prasad
Website: www.hdfcbank.com

The Hongkong and Shanghai Banking Corporation Limited

Institutional Plot No. 68, Sector 44
Gurgaon 122 002
Haryana, India
Tel.: +91 124 4762 131
Contact Person: Mr. Anurag Pandey

Kotak Mahindra Bank Limited

Aerocity, Asset Area 9, 3rd Floor
IBIS Commercial Block
Tel.: +91 84477 49432
Contact Person: Mr. Ajay Anand
E-mail: anand.ajay@kotak.com
Website: www.kotak.com

E-mail: anuragpandey@hsbc.co.in
Website: www.hsbc.co.in

State Bank of India

5th Floor, Parsvnath Capital Tower
Bhai Veer Singh Marg, Gole Market
New Delhi 110 001
Tel.: +91 11 2347 5504
Contact Person: Mr. Viveka Nand Singh
E-mail: amt4.cagdel@sbi.co.in
Website: www.sbi.co.in

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule

Issue Opening Date:	May 3, 2019
Last date for receiving requests for SAFs:	May 10, 2019
Issue Closing Date:	May 17, 2019
Date of Allotment (on or about):	May 29, 2019
Date of credit (on or about):	June 3, 2019
Date of listing (on or about):	June 4, 2019

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

Statement of inter-se Responsibilities

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI Regulations, Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
3.	Drafting, design and distribution of the Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of the Letter of Offer.	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies, and Monitoring Agency and coordination of execution of related agreements	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	J.P. Morgan
5.	Drafting and approval of all statutory advertisement	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
6.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	J.P. Morgan
7.	Formulating and Coordination of International marketing strategy	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	J.P. Morgan

S. No.	Activity	Responsibility	Coordination
8.	Formulating and Coordination of Domestic marketing strategy	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
9.	Formulating retail strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
10.	Submission of 1% security deposit and formalities for use of online software with stock exchanges	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis
11.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalization of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and coordination for underwriting arrangement, if any	Axis, Goldman Sachs, HSBC, I-Sec, J.P. Morgan	Axis

Credit Rating

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed Axis Bank Limited as the Monitoring Agency for the Issue, in accordance with Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

Axis Bank Limited

The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar (West)
Mumbai 400 028
Tel.: +91 22 6230 0451
E-mail: trustee@axisbank.com

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.* 15 days after the Issue Closing Date) or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Underwriting

The Issue is not underwritten.

Filing

The Draft Letter of Offer was filed with SEBI for its observations, at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI, and with the Stock Exchanges. Pursuant to receipt of SEBI's observations dated April 5, 2019, this Letter of Offer has been filed with the Designated Stock Exchange, the other Stock Exchange and SEBI at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is as provided below:

(in ₹, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
1	AUTHORISED SHARE CAPITAL		
	29,506,000,000 Equity Shares of ₹5 each	147,530,000,000	N.A.
2	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	3,997,400,107 Equity Shares of ₹5 each	19,987,000,535	N.A.
3	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾		
	Up to 1,133,591,075 Equity Shares of ₹5 each at a premium of ₹ 215, i.e., at a price of ₹ 220 per Equity Share	Up to 5,667,955,375	Up to 249,390,036,500
4	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE⁽²⁾		
	Up to 5,130,991,182 Equity Shares of ₹5 each fully paid-up	Up to 25,654,955,910	N.A.
SECURITIES PREMIUM ACCOUNT			
	Before the Issue		107,180,000,000
	After the Issue		350,902,081,125 (approximately)*

⁽¹⁾ The Issue has been authorised by our Board resolution dated February 28, 2019, pursuant to Section 62 and other applicable provisions of the Companies Act.

⁽²⁾ Assuming full subscription for and Allotment of the Rights Entitlement.

* Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to the Capital Structure

1. Shareholding pattern of our Company

A. Shareholding pattern of the Equity Shares of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations

(i) The shareholding pattern of the Equity Shares of our Company as on March 31, 2019, is as follows:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR) as a % of (A+B+C2)	Number of voting rights held in each class of securities		Shareholding , as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
						No. of voting rights	Total as a % of (A+B+C)		
(A)	Promoter and Promoter Group ^(*)	4	2,683,781,555	2,683,781,555	67.14	2,683,781,555	67.14	67.14	2,683,781,555
(B)	Public	186,233	1,313,478,552	1,313,478,552	32.86	1,313,478,552	32.86	32.86	1,308,030,226
(C)	Non Promoter-Non Public	1	140,000	140,000	0.00	140,000	0.00	0.00	140,000
(C1)	Shares underlying Depository Receipts	0	0	0	0.00	0	0.00	0.00	0
(C2)	Shares held by Employee Trust(s)	1	140,000	140,000	0.00	140,000	0.00	0.00	140,000
	Grand Total	186,238	3,997,400,107	3,997,400,107	100.00	3,997,400,107	100.00	100.00	3,991,951,781

Notes:

* For definitions of Promoter and Promoter Group, refer to the SEBI Listing Regulations.

(ii) Statement showing holding of securities including Equity Shares, warrants and convertible securities of persons belonging to the category “Promoter and Promoter Group” as on March 31, 2019 is as follows:

Sr. No.	Name of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR) as a % of (A+B+C2)	Number of voting rights held in each class of securities		Number of shares pledged or otherwise encumbered*		Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
								No. of shares	As a % of total shares held (b)		
						No. of voting rights	Total as a % of (A+B+C)				
1.	BTL ⁽¹⁾	1	2,002,818,452	2,002,818,452	50.10	2,002,818,452	50.10	0	0.00	50.10	2,002,818,452
2.	Indian Continent Investment Limited ⁽²⁾	1	81,150,803	81,150,803	2.03	81,150,803	2.03	0	0.00	2.03	81,150,803
3.	Viridian Limited ⁽³⁾	1	8,493,000	8,493,000	0.21	8,493,000	0.21	0	0.00	0.21	8,493,000
4.	Pastel ⁽⁴⁾	1	591,319,300	591,319,300	14.79	591,319,300	14.79	0	0.00	14.79	591,319,300
	Total Shareholding of Promoter and Promoter Group	4	2,683,781,555	2,683,781,555	67.14	2,683,781,555	67.14	0	0.00	67.14	2,683,781,555

* The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of the SEBI Takeover Regulations.

(1) BTL is the Promoter of our Company.

(2) Indian Continent Investment Limited is person acting in concert with our Promoter, BTL.

(3) Viridian Limited is person acting in concert with Pastel, member of our Promoter Group.

(4) Pastel is a member of our Promoter Group in accordance with Regulation 2(1)(t) of the SEBI Takeover Regulations read with Regulation 2(1)(pp) of the SEBI ICDR Regulations and is neither our Promoter nor a person acting in concert with our Promoter, BTL, under Regulation 2(1)(q) of the SEBI Takeover Regulations.

(iii) Statement showing holding of securities including Equity Shares, warrants and convertible securities of persons belonging to the category “Public” and holding more than 1% of the total number of Equity Shares as on March 31, 2019 is as follows:

Category	Category and name of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of shares underlying depository receipts	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR) as a % of (A+B+C2)	Number of voting rights held in each class of securities		Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
							No of voting rights	Total as a % of (A+B+C)		
	Institutions									
(a)	Mutual Funds	33	332,166,717	0	332,166,717	8.31	332,166,717	8.31	8.31	332,166,717
	Franklin Templeton Mutual Fund A/C Franklin India Taxshield	1	47,021,930	0	47,021,930	1.18	47,021,930	1.18	1.18	47,021,930
	ICICI Prudential Value Fund – Series 12	1	137,820,895	0	137,820,895	3.45	137,820,895	3.45	3.45	137,820,895
	SBI Magnum Equity ESG Fund	1	60,862,081	0	60,862,081	1.52	60,862,081	1.52	1.52	60,862,081
(b)	Foreign Portfolio Investors	598	703,956,986	0	703,956,986	17.61	703,956,986	17.61	17.61	703,956,986
	Franklin Templeton Investment Funds	1	42,519,007	0	42,519,007	1.06	42,519,007	1.06	1.06	42,519,007
	Fort Canning Investments Pte. Ltd	1	40,660,199	0	40,660,199	1.02	40,660,199	1.02	1.02	40,660,199
(c)	Insurance Companies	19	193,815,581	0	193,815,581	4.85	193,815,581	4.85	4.85	193,815,581
	LIC of India Child Fortune Plus Balanced Fund	1	148,533,449	0	148,533,449	3.72	148,533,449	3.72	3.72	148,533,449

2. No Equity Shares have been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of filing of the Draft Letter of Offer and until date.
3. No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

4. **Subscription to the Issue by our Promoter and Promoter Group**

Our Promoter, BTL, and members of our Promoter Group have undertaken to subscribe to the full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR, except a part renunciation by our Promoter, BTL, of 227,272,727 Equity Shares out of its Rights Entitlement in favour of GIC. GIC, on behalf of Government of Singapore and Monetary Authority of Singapore has also confirmed to subscribe to this renounced entitlement of 227,272,727 Equity Shares in the Issue by way of a letter dated March 1, 2019. In addition, the eligible members of our Promoter Group reserve the right to subscribe to additional Equity Shares in the Issue.

In the event of an under-subscription in the Issue, the eligible members of our Promoter Group will subscribe to such number of additional Equity Shares in the Issue as to ensure subscription to the extent of at least 90% of the Issue, subject to the aggregate shareholding of our Promoter and members of our Promoter Group being compliant with the minimum public shareholding requirements under the applicable laws.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlement, as applicable, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

5. **Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer**

Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

Employee Stock Option Scheme 2005 (“ESOP 2005”)

Our Company, pursuant to our Board resolution dated July 26, 2005 and our shareholders’ resolution dated September 6, 2005, adopted ESOP 2005 that came into effect from September 6, 2005. Presently, ESOP 2005 is administered through the Bharti Airtel Employees’ Welfare Trust (erstwhile Bharti Tele-Ventures Employees Welfare Trust), a trust created pursuant to a trust deed dated March 31, 2001 and implemented by a committee constituted by our Board (which shall deem to include any committee of our Board constituted for this purpose including the ESOP Compensation Committee (“**ESOP Compensation Committee**”)) for supervising this scheme and approving plans through which options are granted under this scheme. ESOP 2005 has been subsequently amended on several occasions including, amongst others, its amendment pursuant to our Board resolution dated October 30, 2014 and shareholders’ resolution dated April 14, 2015, for ensuring compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI SBEB Regulations**”) and to grant permission to the Bharti Airtel Employees’ Welfare Trust to acquire up to 10,899,159 Equity Shares from the secondary market from time to time, in one or more tranches for the purposes of ESOP 2005.

ESOP 2005 authorizes the creation, issue, offer and allotment of equity shares not exceeding 9,367,276 in aggregate (of the face value of ₹ 10 each, as on July 26, 2005), each for cash or such adjusted numbers of such face value and on such terms and conditions as may be determined by our Board from time to time, due to any changes in the capital structure of our Company including as a result of splitting up of the face value of the equity shares. Under ESOP 2005, the minimum vesting period of options is one year from the grant date and the maximum period in which vested options may be exercised cannot exceed seven years from the vesting date. In terms of ESOP 2005, the ESOP Compensation Committee has approved the

Special ESOP Plan – 2010 in its meeting held on April 27, 2010, the Restricted Stock Unit Plan – 2010 in its meeting held on August 10, 2010 and the Long Term Incentive Plan – 2011 in its meeting held on May 4, 2011 through which the options under ESOP 2005 have been granted, as disclosed below.

As on the date of this Letter of Offer, the details of options pursuant to ESOP 2005 are as follows:

Particulars	Number of options
Total number of options	18,734,552
Options granted	7,890,028
Options vested	3,020,175
Options exercised	2,366,672
Options cancelled	2,365,429
Total options outstanding	3,157,927

Employee Stock Option Scheme 2001 (“ESOP 2001”)

Our Company, pursuant to our Board resolution dated February 27, 2001 and our shareholders’ resolution dated February 27, 2001, adopted ESOP 2001 that was deemed to be effective from September 21, 2001. Presently, ESOP 2001 is also administered through the Bharti Airtel Employees’ Welfare Trust and implemented by the ESOP Compensation Committee, which supervises operation of this scheme and approves plans through which options are granted under this scheme. ESOP 2001 has been subsequently amended on several occasions including, amongst others, for extending the ESOP 2001 to certain key managerial personnel of our Company who were not initially covered under this scheme.

ESOP 2001 authorizes the grant of options to subscribe to such number of equity shares of our Company, initially of the face value of ₹ 10 each, and to issue, allocate and allot such number of equity shares of our Company at such price, in one or more tranches, to the eligible employees, and to be adjusted in case of any bonus issue, rights issue, shares split or any similar corporate action and on such terms and conditions as may be determined by our Board and the ESOP Compensation Committee from time to time. Further, the minimum vesting period in respect of options shall be one year from the grant date and the period in which options may be exercised on expiry of the vesting period cannot exceed seven years from the grant date. In terms of ESOP 2001, the ESOP Compensation Committee has approved the Long Term Incentive Plan – 2013 in its meeting held on May 1, 2013 through which the options under ESOP 2001 have been granted, as disclosed below.

As on the date of this Letter of Offer, the details of options pursuant to ESOP 2001 are as follows:

Particulars	Number of options
Total number of options	31,680,000
Options granted	225,000
Options vested	168,750
Options exercised	168,750
Options cancelled	–
Total options outstanding	56,250

6. The ex-rights price of the Rights Equity Shares is computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 292.59 per equity share.
7. At any given time, there shall be only one denomination of the Equity Shares.
8. All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For further details on the terms of the Issue, see “*Terms of the Issue*” on page 311.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company; and
2. General corporate purposes.

The objects as stated in the Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised by our Company through the Issue and the activities for which the borrowings proposed to be repaid from the Net Proceeds, were utilised.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

(In ₹ million)

Particulars	Amount
Gross Proceeds from the Issue up to*	249,390.04
<i>Less:</i> Estimated Issue related expenses	224.25
Net Proceeds	249,165.79

* Assuming full subscription and Allotment.

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ million)

Particulars	Amount
Prepayment or repayment of all or a portion of certain borrowings availed by our Company	190,000
General corporate purposes	59,165.79
Total	249,165.79

Means of Finance

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

Details of the objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company

Our Company has entered into various financing arrangements with banks and financial institutions. The borrowing arrangements entered into by our Company includes term loans, working capital loans and commercial papers. Our Company proposes to utilize an aggregate amount of ₹ 190,000 million from the Net Proceeds towards full or partial repayment or prepayment of the borrowings availed by our Company.

The selection of borrowings proposed to be repaid and / or pre-paid from our facilities set forth below shall be based on various factors, including (i) cost of the borrowings to our Company, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfillment of, such requirements, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of any such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any law, rules, regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of

the loan. Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements, such as, by way of issuing commercial papers and draw down funds thereunder or undertaking financing from banks and financial institutions. In such cases or in case any of the above borrowings are repaid, refinanced or pre-paid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of the additional commercial papers issued or additional banks or financial institutions borrowings, overdrafts taken or drawn or other such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional borrowings availed, if any), in part or full, would not exceed ₹ 190,000 million.

The prepayment or repayment will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business. The amounts outstanding against the loans disclosed below may vary from time to time, in accordance with the amounts drawn down and the prevailing interest rates. Some of the below mentioned short term bank loans can be re-borrowed / rolled over. Accordingly, the amounts proposed to be prepaid and / or repaid against each facility is indicative and our Company may utilise the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment. The following table provides details of borrowings availed by our Company as on March 31, 2019, which we propose to prepay or repay, in full or in part, from the Net Proceeds:

(In ₹ million)

S. No.	Name of the Lender	Nature of Borrowing	Loan Drawdown Date	Interest Rate (%)	Loan Availed (Draw Down) Amount	Outstanding Loan Amount as at March 31, 2019	Amount Proposed to be Repaid/Prepaid	Repayment Date	Purpose of Loan*
1.	HDFC Bank Limited	Loan	July 30, 2018	These loans have a rate of interest ranging from 6.5% to 9.5%	7,000	7,000	7,000	July 30, 2019	Capital expenditure/reimbursement of capital expenditure
2.	HDFC Bank Limited	Loan	June 25, 2018		10,000	10,000	10,000	June 24, 2019	Capital expenditure, license fees, spectrum payments
3.	HDFC Bank Limited	Loan	August 29, 2018		9,000	9,000	9,000	August 28, 2019	Ongoing capital expenditure, license fees, spectrum payments
4.	HDFC Bank Limited	Loan	July 30, 2018		14,000	14,000	7,061	October 30, 2020	Reimbursement of capital expenditure and license fees for last 12 months and to fund future capital expenditure in financial year 2019-20.
5.	ICICI Bank Limited	Loan	March 28, 2018		20,000	20,000	533	December 30, 2022	Capital expenditure, reimbursement of capital expenditure for past six prior to date of sanction, payment to DoT in respect of spectrum allotted, any transaction related cost and expenses
6.	JP Morgan Chase Bank, N.A.	Loan	January 29, 2019		3,000	3,000	3,000	January 24, 2020	To meet payment commitments in relation to trade payables.
7.	JP Morgan Chase Bank, N.A.	Loan	January 29, 2019		7,000	7,000	7,000	April 29, 2019	To meet payment commitments in relation to trade payables
8.	Axis Bank Limited	Loan	October 12, 2018		15,000	15,000	15,000	July 11, 2019	Working capital purpose or any cash flow adjustments/refinancing of existing borrowing/payment towards deferred spectrum liabilities, license fees/capital expenditure in the normal course of business/reimbursement of capital expenditure being made/ bridge loan against long term financing
9.	Axis Bank Limited	Loan	October 25, 2018		6,100	6,100	6,100	July 24, 2019	Working capital purpose or any cash flow adjustments/refinancing of existing borrowing/payment towards deferred spectrum liabilities, license fees/capital expenditure in the normal course of business/reimbursement of capital expenditure being made/ bridge loan against long term financing
10.	Axis Bank Limited	Loan	October 31, 2018		5,000	5,000	5,000	July 30, 2019	Working capital purpose or any cash flow adjustments/refinancing of existing borrowing/payment towards deferred spectrum liabilities, license fees/capital

									expenditure in the normal course of business/reimbursement of capital expenditure being made/ bridge loan against long term financing
11	Kotak Bank Limited	Loan	June 27, 2018		7,500	7,500	7,500	June 27, 2019	Working capital/cash flow adjustments
12	The Hong Kong and Shanghai Banking Corporation Limited	Loan	October 25, 2018		3,750	3,750	3,750	October 18, 2019	To finance against payables of borrower
13	Axis Bank Limited		February 27, 2019		19,000	19,000	19,000	August 26, 2019	Working capital purpose or any cash flow adjustment/refinancing of existing borrowing/payment towards deferred spectrum liabilities, license fees/capital expenditure in the normal course of business/reimbursement of capital expenditure being made/ bridge loan against long term financing
14	Axis Bank Limited	Loan	March 15, 2019		4,000	4,000	4,000	December 13, 2019	Working capital purpose or any cash flow adjustment/refinancing of existing borrowing/payment towards deferred spectrum liabilities, license fees/capital expenditure in the normal course of business/reimbursement of capital expenditure being made/ bridge loan against long term financing
15	DBS-New Delhi	Loan	March 1, 2019		4,500	4,500	4,500	April 26, 2019	Working capital
16	DBS-New Delhi	Loan	March 13, 2019		4,500	4,500	4,500	April 26, 2019	Working capital
17	The Hong Kong and Shanghai Banking Corporation Limited	Loan	March 8, 2019		10,500	10,500	10,500	March 9, 2020	Working capital
18	JP Morgan Chase Bank, N.A.	Loan	February 25, 2019		3,000	3,000	3,000	May 24, 2019	To meet payment commitments in relation to trade payables.
19	HDFC Bank Limited	Loan	February 6, 2019		8,000	8,000	8,000	August 5, 2019	Working capital
20	INE397D14100	Commercial Paper	January 23, 2019		31,000	30,854	12,983	April 23, 2019	Refinancing of overdraft, short term loans and long term loans
21	INE397D14118	Commercial Paper	February 8, 2019		7,500	7,453	7,453	April 30, 2019	Refinancing of overdraft and bank loans and commercial paper ISIN: INE397D14084
22	INE397D14118	Commercial Paper	February 7, 2019		7,500	7,453	7,453	April 30, 2019	Refinancing of overdraft, short term and bank loans
23	INE397D14126	Commercial Paper	February 28, 2019		7,500	7,409	7,409	May 28, 2019	Refinancing of overdraft and bank loans
24	INE397D14134	Commercial	March 1, 2019		13,000	12,842	12,842	May 29, 2019	Refinancing of overdraft and bank loans

		Paper							
25	INE397D14142	Commercial Paper	March 8, 2019		7,500	7,416	7,416	May 24, 2019	Refinancing of overdraft and bank loans
Total					234,850	234,278	190,000		

* Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018) vide its "Report on factual findings in connection with the Agreed upon procedures" dated April 11, 2019, agreed the loans availed and utilisation thereof with the books of accounts.

We may utilize the a portion of the Net Proceeds towards repayment/prepayment of loans availed from (i) Axis Bank Limited which is related to Axis Capital Limited, one of the Lead Managers, (ii) ICICI Bank Limited which is related to ICICI Securities Limited, one of the Lead Managers (iii) JP Morgan Chase Bank which is related to J.P. Morgan India Private Limited, one of the Lead Managers and (iv) the Hong Kong and Shanghai Banking Corporation Limited (“HSBC”) which is related to HSBC Securities and Capital Markets (India) Private Limited, one of the Lead Managers, either in full or in part. However, on account of such relationship Axis Capital Limited, ICICI Securities Limited, J.P. Morgan India Private Limited and HSBC Securities and Capital Markets (India) Private Limited do not qualify as associates of our Company in accordance with Regulation 21(A) (1) of the of the SEBI (Merchant Bankers) Regulations, 1992 read with Regulation 69(3) of the SEBI ICDR Regulations. Loans and facilities sanctioned to our Company by Axis Bank Limited, ICICI Bank Limited, JP Morgan Chase Bank and HSBC, are a part of their normal commercial lending activity. Also see “Risk Factors – A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from Axis Bank Limited, ICICI Bank Limited, JP Morgan Chase Bank and the Hong Kong and Shanghai Banking Corporation Limited, which are affiliates of the Lead Managers i.e., Axis , I-Sec, J.P. Morgan and HSBC” on page 48.

In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, the amount of such prepayment penalties shall be paid by our Company out of our internal accruals.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) repayment of commercial papers and/or payment towards liabilities, including for spectrum and other borrowings; (b) funding growth opportunities, including strategic initiatives; (c) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (d) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (e) meeting our working capital requirements including payment of interest on borrowings; (f) meeting of exigencies which our Company may face in course of any business; (g) brand building and other marketing expenses; and (h) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Deployment of funds

(In ₹ million)

S. No.	Particulars of Objects of Issue	Amount proposed to be funded from Net Proceeds	Proposed Schedule for deployment of the Net Proceeds	
			Fiscal 2020	Fiscal 2021
1.	Prepayment or repayment of all or a portion of certain borrowings availed by our Company	190,000	190,000	–
2.	General corporate purpose	59,165.79	29,582.89*	29,582.89
Total		249,165.79	219,582.89	29,582.89

* Deployment of the Net Proceeds for the general corporate purpose in Fiscal 2020 will be at least ₹ 29,582.89 million.

The above-stated fund requirements and the proposed deployment of funds for pre-payment and/or repayment of loans and general corporate purposes from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. For details, see “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control” on page 48.

Estimated Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ 224.25 million. The break-up of the Issue expenses is as follows:

(unless otherwise specified, in ₹ million)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee of the Lead Managers	17.7	7.89	0.01
2.	Fee of Registrar to the Issue	11.05	4.93	0.00 [^]
3.	Fee to the legal advisors, other professional service providers and statutory fee	26.26	11.71	0.01
4.	Advertising, marketing expenses	0.39	0.17	0.00 [^]
5.	Fees payable to regulators, including Stock Exchanges	135.41	60.39	0.05
6.	Printing, stationery, and distribution of issue stationary etc.	8.86	3.95	0.00 [^]
7.	Other expenses (including miscellaneous expenses and stamp duty)	24.58	10.96	0.01
Total estimated Issue related expenses*		224.25	100	0.09

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes.

[^] Less than 0.01%

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

Our Company has appointed Axis Bank Limited as the Monitoring Agency for the Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to our Company in terms of Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilised and will indicate instances, if any, of unutilised Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges. Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchange(s), including the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before the Audit Committee for review, before its submission to Stock Exchanges. The Monitoring Agency shall submit its report to our Company, on a quarterly basis, until at least 95% of the proceeds of the issue, excluding the proceeds raised for general corporate purposes, have been utilised.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before the Audit Committee, until such time the full money raised through the Issue has been fully utilized. The statement shall be certified by the Statutory Auditors of our Company. The Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Interest of Promoter, Promoter Group and Directors, as applicable to the objects of the Issue

No part of the proceeds of the Issue will be paid by our Company to our Promoters, our Promoter Group, our Directors or key management personnel.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

Bharti Airtel Limited

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

Dear Sirs,

Sub: Statement of possible Special Tax Benefits (“the Statement”), as required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”), available in connection with proposed Rights Issue of Equity Shares (the “Rights Issue”) of Bharti Airtel Limited (the “Company”) and available to its material subsidiary, namely Bharti Infratel Limited, (herein after referred to as material subsidiary) and their respective shareholders.

We refer to the proposed Rights Issue by the Company. We enclose herewith the Statement showing the current positions of special tax benefits available to the Company, its material subsidiary and their shareholders as per the provisions of Income-tax Act, 1961 as applicable to financial year 2018-19. Several of these benefits are dependent on the Company, its material subsidiary or their respective shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its material subsidiary or their respective shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The possible special tax benefits discussed in the enclosed annexure are not exhaustive. This Statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Rights Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this Statement.

The benefits discussed in the Statement are only intended to provide the possible special tax benefits available to the Company, its material subsidiary and their respective shareholders in a general and summarised manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares.

The tax benefits listed herein are only the possible special benefits which may be available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company, its material subsidiary or their respective shareholders fulfilling the conditions prescribed under the relevant tax laws, which based on business imperative it faces in the future, it may or may not choose to fulfil.

We do not express any opinion or provide any assurance as to whether:

- (i) The Company, its material subsidiary or their respective shareholders will continue to obtain these benefits in future;
- (ii) The conditions prescribed for availing the benefits have been/would be met with;
- (iii) The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and its material subsidiary.

We hereby give our consent to include enclosed Statement regarding the tax benefits available to the Company, its material subsidiary and their respective shareholders in the Draft Letter of Offer for the Rights Issue which the Company intends to file with the Securities and Exchange Board of India, the BSE Limited, the National Stock Exchange of India Limited and any other authorities in connection with the Rights Issue provided that the below statement of limitation is included in the Draft Letter of Offer.

LIMITATIONS

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Rights Issue relying on the Statement.

This Statement has been prepared solely in connection with the Rights Issue under the Regulations as amended and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Nilesh Lahoti
Partner
(Membership No. 130054)

Place: New Delhi
Date: March 6, 2019

Statement of possible special tax benefits available to Bharti Airtel Limited (the “Company”), its material subsidiary, namely Bharti Infratel Limited, (herein after referred to as material subsidiary) and their respective shareholders

1. Special tax benefits available to the Company under the Income-tax Act, 1961 (“Act”)

- The Company is eligible to claim a deduction under **section 35ABA** (capital expenditure on spectrum) and **section 35ABB** (capital expenditure on telecom licence). These sections allow a deduction (on a deferred basis) in computing profits and gains from business, over the period of validity of the spectrum / licence fees. These deductions will be available to the Company till:
 - Section 35ABA (capital expenditure on spectrum) – Upto FY 2035-36
 - Section 35ABB (capital expenditure on telecom licence)–Upto FY 2034-35

2. Special tax benefits available to the shareholders of the Company and its material subsidiary under the Act

- No special tax benefits are available to the shareholders of Company and its material subsidiary under the Act.

3. Special tax benefits available to a material subsidiary of the Company namely, Bharti Infratel Limited, (herein after referred to as material subsidiary)

- No special tax benefits are available to the material subsidiary of Company under the Act.

SECTION IV: ABOUT OUR COMPANY

OUR BUSINESS

In this section, unless the context otherwise indicates or implies, “we”, “us” and “our” refer to our Company together with our Subsidiaries, Joint Ventures and Associate Companies, and references to “our Company” are to Bharti Airtel Limited only.

Unless otherwise stated, the financial information used in this section is derived from the audited consolidated financial statements as at and for the year ended March 31, 2018 and the audited consolidated financial statements of our Company as at and for the nine month period ended December 31, 2018.

Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. The information relating to the industry outlook of Indian telecom industry in this section is derived from the report titled “Cisco Visual Networking Index 2017” and the information relating to the industry outlook of sub-Saharan African telecom industry in this section is derived from website GSMA Intelligence and report titled “GSMA Mobile Money State of the Industry 2018 Report”.

Overview

We provide telecom services under wireless and fixed line technology, national and international long distance connectivity and digital TV services, and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand “airtel”. ‘Airtel Money’ (known as ‘Airtel Payments Bank’ in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 15 countries in Africa. Our Company also owns tower infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

We are one of the world’s leading integrated providers of telecommunication services with presence in 18 countries representing India, Sri Lanka, 14 countries in Africa and associate/Joint Ventures in Bangladesh and Ghana. As per the United Nations, data published on January 01, 2013, the population of these 18 countries represents around 27% of the world’s population.

We serve approximately 404 million customers, as of December 31, 2018, and retain a diversified service portfolio which includes, mobile, voice and data solutions, using 2G, 3G and 4G technologies, fixed line services, broadband services, digital TV services, an integrated suite of telecom solutions for our customers, enterprise business solutions, besides providing long distance connectivity in India, Africa and the rest of the world. Globally, we operate with a cable network covering over 250,000 route kilometers (“RKMs”), as of December 2018 and in India, our national long distance infrastructure provides a pan-India reach with 273,600 RKMs of optical fiber, as of December 31, 2018. Our Company also deploys and manages passive tower infrastructure pertaining to telecom operations through its Subsidiary, Bharti Infratel, which also owns 42% of Indus Towers, a joint venture entity, as of December 31, 2018. Together, Bharti Infratel and Indus Towers are the passive tower infrastructure service providers in India.

Mobile Services

We are the world’s second largest mobile operator by subscriber base, during quarter ended December 31, 2018. (Source: GSMA Intelligence). We are the second largest mobile telecom operator in India in terms of number of mobile telecom subscribers (Source: TRAI) and have a wireless subscriber market share of 28.80% for the month ended January 31, 2019 (Source: TRAI). Based on TRAI Reported Revenue, for the quarter ended December 31, 2018, we had a Revenue Market Share (“RMS”) of approximately 30% calculated on the basis of AGR, plus National Long Distance Services (AGR + NLD AGR). For the month ended January 31, 2019, we had 340.36 million subscribers (Source: TRAI). For the quarter ended December 31, 2018 we carried approximately 702.8 billion voice minutes and approximately 3,217 billion MB of data volume.

In May 2018, a merger of Telenor into our Company was completed. For details, see “History and Corporate Structure – Details regarding material mergers, demergers and amalgamation” on page 105. Further, the consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited are in the

process of being merged with our Company. For details, see “*History and Corporate Structure – Details regarding material mergers, demergers and amalgamation*” on page 105.

As on December 31, 2018, we have an aggregate of 1588.90 MHz unpaired spectrum across 22 telecom circles, of which 1390.10 MHz is liberalized and the remaining 198.80 MHz has been administratively allocated. Hence, our spectrum market share is well aligned to our overall RMS. Equally we have invested in creating a wide spread data network. As on December 31, 2018, we had 175,300 network towers in India, of which, 164,859 were mobile broadband towers. We have deployed a combination of 3G and 4G, with 4G being offered via both TDD and FDD LTE mechanisms. Hence, we had 371,562 mobile broadband base stations as on December 31, 2018.

Tower Infrastructure Services

Bharti Infratel, one of our Subsidiaries, is a provider of tower and related infrastructure and holds 42% equity interest in Indus, as on December 31, 2018. The business of Bharti Infratel and Indus is to acquire, build, own and operate tower and related infrastructure. Bharti Infratel and Indus currently provide access to their towers primarily to wireless telecom service providers on a shared basis, under long-term contracts. As of December 31, 2018, Bharti Infratel owned and operated 40,192 towers in 11 telecom circles while Indus operated 124,069 towers in 15 telecom circles. Hence, through a combination of Indus and Infratel, we have a nationwide presence with operations in all 22 telecom circles in India, with Bharti Infratel and Indus operations overlapping in 4 telecom circles. With Bharti Infratel’s towers and Bharti Infratel’s 42% interest in Indus, we have an economic interest in the equivalent of 92,301 towers in India on consolidated basis as of December 31, 2018. During the quarter ended June 30, 2018, Bharti Infratel has entered into a scheme of amalgamation for the merger of Bharti Infratel with Indus Towers. For details, see “*History and Corporate Structure – Details regarding material mergers, demergers and amalgamation*” on page 105.

Homes Services

We are the largest private wired broadband service provider in the country with a customer market share of 12.6% of the pan-India wired broadband internet market as of January 31, 2019 (*Source: Calculated based on TRAI data*). We had approximately 2.30 million wired broadband internet customers as at January 31, 2019 (*Source: TRAI*). We have invested significantly to develop our fiber broadband network, and invested heavily to upgrade speeds of the existing network using vectorization technology and deployment of FTTH. Our investments are designed to grow our fiber broadband network, which enables us to drive revenue growth by providing high-speed broadband internet access and relevant content.

Digital TV Services

As of December 31, 2018, we are one of the largest digital TV service providers in India (*Source: Calculated based on TRAI data*). As of December 31, 2018, we had 15.0 million subscribers for our digital TV business. We distribute multiple television channels and allied video and audio services to subscribers as part of our digital TV services offering. We bring to our subscribers digital quality television viewing and, as of December 31, 2018, carried over 694 channels and services, including 78 HD channels, five international channels and three interactive services.

Our Company has continuously innovated in order to drive the convergence of multiple products across home, including content via linear as well as internet-based platforms. To this end, Airtel launched a new set-top box powered by Android which comes with pre-installed OTT apps, allowing the integration of multiple TV platforms. Airtel’s Internet TV – 4K hybrid set-top box, powered by Android TV, has won the ‘Tech Peripheral of the Year’ award at the NEXA NDTV Gadget Guru Awards. Additionally, to penetrate the rural markets, we also launched an HD set top box with USB playback functionality.

With next digitization phases, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services and migration from SD to HD boxes have increased consumption of smart TVs and HD services, thereby, offering more opportunities to service operators like us.

Airtel Business

We are one of the trusted providers of ICT services in India with a diverse portfolio of services offered to enterprises, governments, carriers and small and medium businesses under the head of ‘Airtel Business’.

We offer global connectivity, voice and message termination services. Our global fiber cable network (excluding India) runs across 250,000 RKM, covering 50 countries and five continents.

For enterprises and governments, we offer solutions by way of audio, video and web conferencing apart from core connectivity. Our services also include network integration, data centers, cloud, managed services, enterprise mobility applications and digital media. Strong economic growth, aided by shift to digital and on-demand business models with a growing need for any time anywhere connectivity for enterprises and the GoI's push for digitization, are fueling demand for telecom services from enterprises, smart cities and governments or governmental agencies.

For small and medium businesses, we provide solutions for fixed-line voice (PRIs), data, and other connectivity solutions like DSL, ILP, MPLS, VoIP and SIP trunking. Small and medium enterprises ("SMEs") are increasing with Digital India and Start Up India initiatives creating a larger market. We enable emerging enterprises and start-ups through understanding their business needs, and offer specific vertical value and simplified bundled propositions. We also have a robust portfolio and roadmap of cloud applications targeting SMEs, small office/home office and start-ups, providing them scalable and upgradable solutions with reduced upfront investments and unique payment platforms.

Digital Services – OTT Application

We have also launched three OTT media applications in the digital media space in India, 'Wynk Music', 'Airtel TV' and 'Airtel Books'. 'Wynk Music' had over 120 million user downloads in India, as of December 31, 2018. As of December 31, 2018, average songs streamed on Wynk Music were approximately 1.6 billion songs/month. 'Airtel TV' has over 90 million user downloads in India and provides 375 linear channels with over 10,000 movies and shows in its library in 14 languages, along with curated exclusive content. 'Airtel TV' has an average of 1.2 billion minutes of watch-time per month. We have strategic partnerships with a host of OTT platforms for content, including 'Netflix', 'Amazon Prime' and 'Zee5', which in turn enables us to increase stickiness of high ARPU customers. 'Airtel Books' is our latest addition to the foray of digital OTT applications, which provides access to catalogue of e-books at affordable pricing.

Africa

We are present in 14 countries in Africa, namely, Nigeria, Chad, Congo, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda, as of December 31, 2018. We also operate in Ghana through a Joint Venture. We offer post-paid, pre-paid, roaming, broadband services, content, media and entertainment, and enterprise business solutions. 3G, 4G data and m-Commerce (Airtel Money) are the next growth engines for us in Africa. We offer 3G services, Airtel Money across all 14 countries and 4G services in 11 countries of Africa. As of December 31, 2017, our Company had an aggregate customer base of approximately 84 million, which increased at a growth of 16% to approximately 98 million as of December 31, 2018. As of December 31, 2018, we had aggregate data customers of approximately 29 million, which were approximately 23 million as on December 31, 2017. Total minutes on network during the quarter were registered to be 52 billion, as on December 31, 2018. Data usage per customer during the quarter ended December 31, 2018 was at 1,248 MBs, as compared to 997 MBs during the quarter ended December 31, 2017. As on December 31, 2017, our Company had aggregate Airtel Money active customers base of approximately 10 million, which increased at a growth of 32% to approximately 14 million as on December 31, 2018. As on December 31, 2018, we had 20,582 network towers of which 15,734 are mobile broadband towers, which were 19,054 network towers as on December 31, 2017 of which 16,863 were mobile broadband towers. As on December 31, 2018, we had total 29,650 mobile broadband base stations. Capital expenditure during the quarter-ended December 31, 2018 was USD 170 million for African operations, which was largely on account of investment in data capacities and network modernization. Airtel Africa Limited, our subsidiary and holding entity of Africa operations of the group has appointed global banks for an intended IPO on an international stock exchange.

Revenues

Our segmental total revenues and the EBITDA from the mobile services India, Airtel business, homes services, tower infrastructure services, digital TV business in India and Africa business, for the nine months ended December, 2018, Fiscal 2018 and nine months ended December, 2017 were as follows:

	India (₹ in million)															Africa (₹ in million)		
	Mobile Services			Tower Infrastructure Services			Homes Services			Digital TV Services			Airtel Business			Consolidated		
Period Ending	Dec-17	Mar-18	Dec-18	Dec-17	Mar-18	Dec-18	Dec-17	Mar-18	Dec-18	Dec-17	Mar-18	Dec-18	Dec-17	Mar-18	Dec-18	Dec-17	Mar-18	Dec-18
Total Revenue	359,107	462,639	309,217	49,545	66,284	51,481	19,223	25,265	16,855	27,985	37,570	30,496	85,283	113,218	94,498	151,852	201,564	168,350
EBITDA	121,052	150,374	68,340	24,181	32,253	24,175	8,777	11,774	8,360	10,525	14,221	11,796	30,940	42,223	31,003	48,314	66,335	61,807

Our consolidated total revenues for the nine months ended December, 2018, Fiscal 2018 and nine months ended December, 2017 were ₹ 610,217 million, ₹ 836,879 million and ₹ 640,536 million, respectively, and the EBITDA, for the same periods, was ₹ 194,239 million, ₹ 303,279 million and ₹ 233,227 million respectively. For the same periods, our consolidated profit for the period was ₹ 11,114 million, ₹ 21,835 million and ₹ 17,645 million, respectively.

Our Competitive Strengths

We believe that we are well positioned to exploit the growth opportunities in the rapidly expanding telecom industry. Our key competitive strengths are set out below.

1. Presence in large and attractive markets

We are present in markets of India, South Asia and Africa, which are still underpenetrated and where demand for telecom services is expected to rise, as these economies expand and penetration of telecom services increase.

India is the second largest telecom market in the world, along with being the second largest smartphone market in the world and with the second highest internet users in the world (*Source: Cisco Visual Networking Index 2017 ("Cisco VNI")*). The number of internet users in India is expected to grow significantly. India is expected to have 840 million total internet users by 2022 (60% of the population) up from 357 million (27% of the population) in 2017 (*Source: Cisco VNI*). Smartphones have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks will help accelerate market transformation. Smart phones will account for 38% of all networked devices by 2022 i.e., 829 million, compared to 26% in 2017 i.e., 404.1 million (*Source: Cisco VNI*). Data usage of smartphones in 2022 will average 17.5 GB/month, up from 3.5 GB/month in 2017 (*Source: Cisco VNI*). The average fixed broadband speed will grow from 9.5 mbps in 2017 to 31.2 mbps in 2022 (*Source: Cisco VNI*).

The telecom industry in India has experienced unprecedented levels of growth in voice and data traffic. Voice minutes of usage per customer have increased from 405 minutes/subscriber (GSM) in December 2015 to 726 minutes/subscriber (GSM+LTE) in December 2018. Data usage per subscriber grew from 843 MB in December 2015 to 10528 MB in December 2018. We have strong growth potential in rural and semi-urban markets. As on January 31, 2019, overall telecom penetration in India i.e., the number of telephones per 100 people was 91.82%, of which urban penetration was 161.34% and rural penetration was 59.38 % (*Source: TRAI*).

Mobile has become a platform of choice for creating, distributing and consuming innovative digital solutions in Africa. Mobile devices are now the primary means through which large number of internet users in sub-Saharan Africa accesses the internet. At the end of 2018, there were 463 million unique mobile subscribers in Sub-Saharan Africa, equivalent to a penetration rate of 45% (*Source: GSMA Intelligence*). The CAGR of 4.4% is expected over the next seven years with more than 625 million unique mobile subscribers by 2025 (*Source: GSMA Intelligence*). The number of smartphone connections in Sub-Saharan Africa is expected to rise to 700 million by 2025, an increase of nearly 400 million, from 308 million smartphones in 2018 (*Source: GSMA Intelligence*). Smartphone adoption is expected to grow from 39% in 2018 to 60% in 2025. Mobile internet penetration is expected to grow from 24% i.e., 244 million internet subscribers in 2018 to 40% i.e., 488 million internet subscribers in 2025 (*Source: GSMA Intelligence*). The expanding mobile money ecosystem offers new opportunities for productivity and efficiency gains to governments, businesses and individuals, as mobile money has developed from traditional payments to provide access to more complex financial products. The number of registered mobile money accounts in Sub-Saharan Africa reached 395 million in 2018, with total transaction

volume and value of USD 1.7 billion and USD 26.8 billion, respectively, during the year (*Source: GSMA Mobile Money State of the Industry 2018 Report*).

2. *Established leadership position and large subscriber base*

We are the second largest mobile telecom operator in India in terms of number of mobile telecom subscribers and reported revenue (*Source: TRAI*). As on January 31, 2019, we had 340 million customers and our subscriber market share stood at 28.8% (*Source: TRAI*) and revenue market share stood at 30.0% (AGR+NLD AGR) (*Source: TRAI*). As on December 31, 2018, we are the world's second largest mobile operator by subscriber base (*Source: GSMA Intelligence*).

For the month ended January 31, 2019, in terms of number of mobile telecom subscribers, we are the largest operator in 10 telecom circles which are, Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Karnataka, North East, Orissa, Rajasthan, and Tamil Nadu, the second largest operator in three telecom circles, which are Delhi, Uttar Pradesh East and West Bengal and the third largest in seven telecom circles which are Gujarat, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Uttar Pradesh West. As of January 31, 2019, we are one of the largest operators in digital TV service business and largest private wired broadband service provider (*Source: TRAI*). In Nigeria, which is our largest market in Africa, we are the second ranked operator by customers, as on December 31, 2018 (*Source: Nigerian Communications Commission – Industry Statistics*).

We believe that our established leadership position allows us to capitalize on any growth opportunities in the future.

3. *Extensive telecom infrastructure built out to support future growth*

Our mobile telecom operations cover a population of 95.3% in India, as on December 31, 2018. We continued to invest in building data capabilities to provide a world-class network to our customers. The consolidated capex investment for Fiscal 2018 and nine months ended December 31, 2018 were ₹ 268,176 million and ₹ 224,691 million, respectively.

We have abundant spectrum to roll out superior data networks. We have an aggregate of 1,588.9 MHz of unpaired spectrum across 22 telecom circles.

Capacity at hotspots is being addressed by deploying combination of massive MIMO and sector splitting. Small cells are also being deployed in high traffic areas. We are also in the process of refarming our 900 MHz band spectrum in selected circles for using towards 4G services. This is expected to provide deeper in-building 4G coverage for better VoLTE and data experience. We have also initiated refarming our 2100 band spectrum, currently used for 3G, to 4G.

To cater to this exponential data demand, we have also been investing in fibre, backhaul and transmission. Our optical fibre cable transmission network either owned or through IRU arrangements mainly with other telecom operators, extends to approximately 273,600 RKM as of December 31, 2018. Given the significant growth in data consumption, the need for more extensive fiber network is becoming critical. We have established a dedicated fiber company, Telesonic Networks Limited, which will provide the requisite India based fiber network.

These investments resulted in our Company being named as the 'fastest mobile network in India' by Ookla, a reputed firm in internet speed test for three consecutive times in a row.

Our global fiber network runs across 250,000 RKM, covering 50 countries and five continents, as of December 31, 2018, which while serving our enterprise solutions business, also enables to bring data closer to India and reduce latency for our customers.

We are one of the largest providers of tower and related infrastructure in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus that are represented by Bharti Infratel's 42% equity interest in Indus. As of December, 2018, we have 175,300 network towers and 164,859 mobile broadband towers in India. In Africa, as of December, 2018, we have 20,582 network towers and 15,734 mobile broadband towers.

4. Extensive distribution and service network

We maintain an extensive sales and distribution network covering both rural and urban geographies across India, with over 1.1 million retail outlets taking our bouquet of product offerings to end consumers. These outlets are serviced by 13,000 distribution partners. Retail outlets are digitally empowered to sell Airtel services to the customers using 'Mitra Application'.

We believe our exclusive retail footprint is a key differentiator, including for supporting high value subscribers and products such as mobile internet. Our exclusive retail footprint is an integral part of our customer acquisition and engagement strategy, designed to bring the Airtel brand closer to our customers.

We also have a growing digital distribution presence through Airtel online shop and *My Airtel* app. Digital distribution channel is cost-efficient compared to traditional channels and enhances customer experience. Our distribution reach is further expanded by 18,000 dedicated promoters who are promoting Airtel products in device selling outlets. We empower our promoters to do intelligent selling using promoter app. We also have a growing digital distribution presence through Airtel online shop and *My Airtel* app. Digital distribution channel is cost-efficient compared to traditional channels and enhances customer experience. As of December 31, 2018, *My Airtel* application has over 23.5 million subscribers, which constitute approximately 17.6% of the smartphone subscriber base of our Company.

5. Strong brand presence

We offer our services under our flagship brand '*airtel*'. We support the '*airtel*' brand with extensive market research and a focused marketing strategy in India and Africa, including national and regional television advertisement campaigns as well as campaigns in mix-media platforms including print, outdoor and digital. We believe that the strength of our brand '*airtel*' and our advertising campaigns have contributed significantly to our strong market position, subscriber growth and loyalty. Our brand is widely recognized in India and Africa, where we operate.

These campaigns have helped us to further fortify the '*airtel*' brand, which is reflected with highest-ever, scores on key brand metrics of saliency and consideration.

We believe that we have been able to strengthen our brand equity through our segmented marketing strategies across geographies and demographic variables e.g., age, income, social groups. We have created famous campaigns like "*Har Ek friend Jaruri hota hai*" or "*Jo tera hai wo mera hai*" which targeted our growing young customers and created a great degree of emotional affinity towards, and connect with, the '*airtel*' brand. During the last couple of years, we also strengthened our innovation and category leader credentials with initiatives like "Postpaid Promise" – wherein we redefined the postpaid category, "Launch of Airtel TV" in OTT space, campaigns like "*Sab Kuch Try Karo, Phir Sahi Chuno*" and launching the category's first reward program with "Airtel Thanks". We have recently introduced our new logo to reposition our brand as a young, energetic and international brand. We undertake these marketing strategies in consultation with external marketing and advertising agencies.

The focus of our communication is to clearly bring the benefits of our products and services to our customers. Further, our strong brand presence is backed by an extensive distribution footprint in India and Africa across rural and urban areas. We also have a growing digital distribution presence through *My Airtel* app.

Our brand excellence is confirmed by several awards. Bharti Airtel was honored in the categories of 'Best Brand Loyalty Marketing Campaign' and 'Excellence in CSR - Best Organisation Transformation' at the 'Asian Customer Engagement Forum and Awards' in 2017. Bharti Airtel was ranked second in the 'Brand Finance India 100 (2018)' - an annual report on the most valuable Indian brands. Bharti Airtel was also ranked fourth in the 'BrandZ Top 75 Most Valuable Indian Brands 2018' report. Bharti Airtel was ranked amongst the top 100 firms in the list of 'Most Innovative Companies' in the world by Forbes –2018. Bharti Airtel was rated as the fastest mobile network in India by 'Ookla' for the third time in a row. We have consistently focused on our positioning as the fastest network, as certified by Ookla in our recent campaigns to differentiate ourselves from our competitors.

6. *Experienced management team with strong execution track record and backed by global investors*

We believe that we benefit significantly from having an experienced management team with a successful record of accomplishment, including Mr. Sunil Bharti Mittal, our Chairman, Mr. Gopal Vittal, our Managing Director and CEO (India and South Asia), Mr. Raghunath Mandava, our Managing Director and CEO (Africa), and Mr. Badal Bagri, our Chief Financial Officer and other management personnel.

Our management team has been involved in the telecom industry in India for a significant period. During this time, our management team has developed sector-specific knowledge and operational expertise and an in-depth understanding of the key opportunities and risks associated with our business. For details, see “*Our Management*” on page 108. Their expertise in the industry is reflected in our ability to maintain our position as the second largest telecom operator in India measured by RMS, in spite of significant competition and new entrant in the market. Extreme pricing pressure accelerated market exits and industry consolidation. We have capitalized on the emerging opportunities and completed the acquisitions of Tikona Digital Networks and Telenor India. We have entered into agreements with Tata Teleservices Limited (TTSL) and Tata Teleservices (Maharashtra) Limited (TTML) to merge their Consumer Mobile Business (“**CMB**”). Further, we have entered into a scheme of amalgamation for the merger of Bharti Infratel with Indus Towers. The combined company, which will fully own the respective businesses, will be named to Indus Towers Limited and will continue to be listed on the Indian stock exchanges. We believe that the experience of our management provides us with an advantage in commercial negotiations with suppliers, customers, identifying cost and operational efficiencies, anticipating, avoiding potential execution roadblocks, completing expansion, and roll out plans on time and within budget, in India as well as in Africa.

Strengthening the balance sheet remains a key priority and towards this end, six leading global investors comprising Warburg Pincus, Temasek, Singtel, SoftBank Group International and others have invested USD 1.25 billion in Airtel Africa Limited, our subsidiary and holding entity of Africa operations of the group, through a primary equity issuance. Further, Qatar Investment Authority, the sovereign wealth fund of the State of Qatar has invested USD 200 million through a primary equity issuance in Airtel Africa Limited. We believe that the knowledge and expertise generated by their experience will prove to be a crucial advantage as we look to expand and develop our business. We also emphasize on a strict observance of the corporate governance norms prescribed under law.

Our Strategies

We intend to continue to grow our business through implementing the following strategies:

1. *Prudently maintain and grow our 4G subscriber market share in the mobile telecom industry*

We operate in the highly competitive mobile telecom industry in India, which has grown significantly in recent years. The growth in the number of data subscribers of mobile telecom services is expected to increase due to a significant increase in mobile data usage and interest in digital content and smartphone penetration. We are the second largest mobile telecom operator in India in terms of number of mobile telecom subscribers (as reported by TRAI) and based on TRAI Reported Revenue, for the quarter ended December 31, 2018, and intend to leverage such position to increase our market share of the primary 4G SIM slot through attractive bundled pricing plans, partnerships with content companies for bundling their services with ours, adjacent plays to drive stickiness, such as Airtel Payments Bank and by driving upgrades through device partnerships and offers. For example, in Fiscal 2018, we launched ‘*Mera Pehla Smartphone*’ initiative to introduce affordable 4G smartphones bundled with Airtel mobile network in the Indian market. Further, ‘Airtel Online Store’ was introduced in Fiscal 2018 with devices from multiple vendors including premium devices, which could be made affordable for Airtel customers through third party financing options. We intend to consider more such opportunities to grow our share of high ARPU customers.

We also launched a loyalty program ‘*Airtel Thanks*’ to ensure customers have an incentive to upgrade to higher value plans by providing exciting offers and benefits.

Further, we have also adopted various measures to lock-in post-paid customers through many initiatives such as handset security, free music and TV, free Amazon prime membership, data roll-over, among others, beyond the traditional services.

In Africa, we look to increase our mobile revenue market share through widest smartphone network leadership, data penetration, introduction of new products and addition of quality customers.

2. *Invest in our telecom network to enhance user experience and deliver a differentiated value proposition to our customers*

We are focused on delivering premium, high-speed and reliable telecom services to our customers. We have successfully grown our aggregate telecom customer base from 357 million as of March 31, 2016 to 404 million as of December 31, 2018, and intend to continue to retain our existing customer base and grow our market share by continuing to offer high speed and reliable mobile telecom services at competitive prices and providing high-quality customer support services.

During this period, our data customer base has grown from approximately 58 million as of March 31, 2016 to approximately 108 million as of December 31, 2018. As of December 31, 2018, 77 million customers were using 4G services on our network.

Airtel was rated as the fastest mobile network in India by Ookla for each of the last three years. We intend to enhance our telecom network user experience by improving our network quality through digitization and using more self-healing and self-evolving networks using newer generation technologies. For example, we entered into a strategic partnership with a South Korean telecom company in Fiscal 2018 to leverage their expertise in improving our network experience, machine learning, big data and better customer experience. Further, in Fiscal 2018 we announced the deployment of 'Massive Multiple-Input Multiple-Output' ("MIMO") in partnership with Huawei Telecom India as a part of Airtel's ongoing network transformation program. We intend to consider more such opportunities.

While we utilize a number of advanced technologies to deliver our services and operate our network, we intend to continue to invest in our network and technology infrastructure, so that we are able to improve our existing technology systems or implement new, more advanced technology systems that may be developed. We believe that this will enable us to continue to deliver high quality, market leading and competitive service offerings, which will drive our growth.

Additionally, we have significantly simplified our pricing plans. Starting from September 2018, we launched minimum ARPU plans to ensure that every customer who stays on the network gives us a minimum commitment.

3. *Focus on developing high growth revenue streams such as apps with digital media content, enterprise, broadband, digital TV and mobile payment bank ("MPS") businesses, among others*

We intend to continue to retain our existing customer base and aggressively grow our market share by continuing to offer high speed and reliable services in the broadband and digital TV space at competitive prices and providing high-quality customer support services.

We intend to rapidly grow the Homes Services business and to expand digital TV services business. Towards this end we have been investing heavily in increasing our homes passes, to accelerate the Broadband business. As of March 31, 2018, we had passed 10.2 million homes passes with our broadband footprint.

With digitization Phase III and IV, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services, migration from SD to HD boxes have increased consumption of – smart TVs and HD services, offering more opportunities to service operators like us.

Strong economic growth, aided by shift to digital and on-demand business models with a growing need for any time anywhere connectivity for enterprises and the GoI's push for digitization, are fuelling demand for telecom services from enterprises. Our enterprise strategy is to increase our share of wallet of existing customers and gain new customers by launching new enterprise platforms, thereby increasing our RMS. SMEs are increasing with digital India and start up India initiatives. We enable emerging enterprises and start-ups through understanding their business needs and offering specific vertical value propositions. We intend to continue adopting the ready business solution approach entitling SMEs to scale faster and enhance their operational efficiencies, making their business responsive to customers. We also have a robust portfolio and roadmap of cloud applications targeting SMEs, small office/home office and start-ups, providing them scalable and upgradable solutions with reduced upfront investments and unique payment platforms.

We intend to ensure ‘Wynk Music’ and ‘Airtel TV’ apps continue to enjoy their market leading positions by focusing on user preferences. With respect to ‘Wynk Music’, we intend to launch industry-first features packaged into a highly intelligent product that understands user music preferences and customizes the experience for them using machine-learning and artificial intelligence. To enhance user experience, we are planning for ‘Wynk Music’ to (i) include technology integrations and alliances to create a seamless, multi-platform music streaming experience that caters to the latest trends in music listening, (ii) build social communities around users and artists, (iii) invest in original and exclusive content, and (iv) introduce vernacular interfaces and expansion of regional content library. With respect to ‘Airtel TV’, we intend to (i) establish stronger partnerships with premium video content providers to unlock further value for our customers, (ii) include live sports streaming, (iii) expand the regional content library, (iv) integrate rich and exclusive content across genres and languages and (v) introduce technological innovations for a more immersive user experience. We believe that such measures in our app space will be a significant driver for our revenues.

We are also one of India’s leading providers of data centre services, including co-location, managed services and cloud solutions, through our Subsidiary, Nxtra Data. We are investing in Internet of Things (IoT) platforms, and telco-grade networks to drive IoT in the country. We entered into a strategic alliance with Symantec Asia Pacific Pte. Ltd. (“Symantec”) to serve the growing cyber security requirements of businesses in India, providing protection and for prevention of online threats.

In Africa, for Airtel Money our aim is to be best in class in all our markets and to run the business as an independent monetizable unit. Once incorporated, we seek to make Nigerian Payments Bank a catalyst for our growth in Africa. We are also adding adjacent revenue streams to capture new business opportunities like fixed wireless business, enterprises and data centres.

4. Focus on digitization and cost optimization

We are focused on disciplined investment and prudent cost controls.

Cost optimization is an integral part of our growth strategy to deliver shareholder value. We aim to deliver savings in operating expenses through targeted cost saving programs with a range of initiatives across different functions. These include zero based budgeting with fresh look at all cost items to avoid redundant costs, focused initiatives on reducing low utilisation sites, simplifications to reduce waste and drive efficiency in administrative costs. We also periodically negotiate appropriate contracts including outsourcing arrangements and annual maintenance contracts with our technology and equipment vendors. Among other elements of our optimized cost structure, we outsource various non-core supplies, service and support functions in discrete parcels to multiple specialized providers, while retaining a high-level of centralized reporting and control. We also engage in new request for proposal processes at the end of such contract terms, to allow us to re-evaluate the cost and performance of each active network partner or vendor, and to form new partnerships or vendor relationships, as necessary. We also seek to minimize our dependence on any single network provider, by working with multiple vendors.

In addition, we extensively focus on network cost optimization programs like indoor to outdoor conversions of sites leading to reduction in energy cost, off-net to on-net link conversion for enterprise customers leading to lower bandwidth charges.

We use technology to drive down costs, including through infrastructure sharing, adopting disruptive technologies, use of increased automation, including customer service automation and the use of digital tools and interfaces such as chatbots and webchats with our customers (as well as executive dashboards for account summaries and individual products, including through our *My Airtel* app), and digitization, such as through our “Green Bill” initiative, which has resulted in lowering our billing costs, product and communication simplification, improved predictive analytics and reduced travel and outbound tele-calling, among other things.

In Africa, we aim to ensure cost optimization through ensuring greater utilization of assets already deployed and expenses already incurred. Equally, we also focus on controlling and saving costs through measures such as moving away from offline channels to online distribution, and churn reduction. With high fixed costs, operating leverage will play out on new revenue streams and we aim to ensure that incremental EBITDA earned on incremental revenue generated is greater than the existing EBITDA margin. Our capital expenditure has been stable in the last two years for the Airtel Africa Group at ₹ 26,998 million in Fiscal 2018 (converted from USD

419 million at the yearly average exchange rate of ₹ 64.44 per 1 USD) and ₹ 26,554 million in the Fiscal 2017 (converted from USD 395 million at the yearly average exchange rate of ₹ 67.16 per 1 USD). For the nine month period ended December 31, 2018, the Airtel Africa Group has spent ₹ 22,880 million in capital expenditure (converted from USD 325 million at the exchange rate of ₹ 67.20 per 1 USD, ₹ 69.91 per 1 USD and ₹ 71.76 per 1 USD for quarter ended June 30, 2018, September 30, 2018 and December 31, 2018, respectively).

5. Focus on deleveraging and maintaining financial flexibility

Our aggregate Net Debt amounted to ₹ 1,167,010 million, ₹ 1,063,783 million, and ₹ 1,040,283 million as of December 31, 2018, March 31, 2018 and December 31, 2017, respectively. Our debt profile is spread across local and overseas sources of funds to mitigate interest rate risks and to create natural hedges. We have a healthy currency mix of debt having issued USD, EUR and CHF denominated bonds in the international debt capital markets as well as debt in local currencies of INR, XAF, XOF etc. We also entered into interest rate swaps to reduce the interest rate fluctuation risk. Our Company has over the time increased the tenor of the borrowings from two years to –five to seven years. We remain focused on maintaining a healthy leverage ratio and deleveraging through a mix of strategic and organic initiatives. Some of the key steps taken by our Company include secondary sale of stake in Bharti Infratel to global investors such as KKR and CPPIB. Additionally, we raised USD 200 million through stake sale in DTH business to Warburg Pincus. We realized approximately USD 3 billion in Airtel Africa through tower sale and divestment in two countries. Recently, we raised USD 1.45 billion in Africa through a primary equity issuance including investment from Qatar Investment Authority, the sovereign wealth fund of the State of Qatar for USD 200 million. The proceeds of these issues are being used to reduce debt and fund growth of operations. We are also planning an IPO for Airtel Africa unit in 2019.

We aim to maintain an efficient capital structure with high balance sheet flexibility. We seek to continue to manage our borrowing costs with a focus on cost effective financing and refinancing structures, including our repayment tenors and the balance between our fixed and floating rate instruments. We will continue to maintain a measured and careful balance between fixed and floating rate debt. We also intend to maintain our strategy of efficient capital deployment aligned with our growth plans.

In Africa, we maintain a reasonably conservative policy in respect of liquidity and leverage. In line with this principle, and as per the dividend policy for Africa, “surplus” cash is to be distributed to respective shareholders, subject to leverage thresholds as per the policy.

Description of Our Business - Our Products and Services

We are one of the world’s leading integrated providers of telecommunication services with presence in 18 countries representing India, Sri Lanka, 14 countries in Africa and Associate / Joint Ventures in Bangladesh and Ghana. We serve approximately 404 million customers as of December 31, 2018, and retain a diversified service portfolio which includes, mobile, voice and data solutions, using 2G, 3G and 4G technologies, fixed line services, broadband services, digital TV service, an integrated suite of telecom solutions for our customers, enterprise business solutions, besides providing long distance connectivity in India, Africa and the rest of the world. All these services are rendered under a unified brand “airtel”. ‘Airtel Money’ (known as ‘Airtel Payments Bank’ in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 15 countries in Africa. Our Company also owns Tower Infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

Business Divisions

India

We follow a segmented approach for our operations in India with clear focus on retail and corporate customers.

B2C Services:

1. Mobile Services (India)
2. Homes Services
3. Digital TV Services

4. Payment Banking

B2B Services:

1. Airtel Business
2. Tower Infrastructure Services

South Asia (except India)

South Asia represents our operations in Sri Lanka and in Bangladesh by way of a joint venture.

Africa

We are present in 15 countries across Africa, namely, Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia, Rwanda and in Ghana by way of Joint Venture. We offer post-paid, pre-paid, roaming, internet services, content, media and entertainment, and enterprise solutions. 3G, 4G data and m-Commerce (Airtel Money) are the next growth engines for us in Africa. We offer 3G services, Airtel Money across all 14 countries and 4G services in 11 countries in Africa.

Select Operational Information

The following table sets out certain operational metrics about our service offerings:

Parameters	Unit	December 31, 2018	March 31, 2018	December 31, 2017
Total Customers Base	000's	303,268	322,292	307,964
Mobile Services				
Customer Base	000's	284,224	304,192	290,113
Net Additions	000's	(48,539)	14,079	8,066
Pre-Paid (as a % of total Customer Base)	%	93.6%	93.9%	93.7%
Monthly Churn	%	7.3%	2.8%	3.3%
Average Revenue Per User (ARPU)	₹	104	116	123
Average Revenue Per User (ARPU)	US\$	1.4	1.8	1.9
Revenue per towers per month	₹	193,519	206,785	215,670
Revenues				
Mobile Services	₹ Mn	100,532	102,221	105,709
Voice				
Minutes on the network	Mn	702,881	592,657	494,546
Voice Usage per customer	min	726	670	575
Data				
Data Customer Base	000's	107,511	86,077	70,836
Of which 4G data customers	000's	77,068	47,862	36,367
As % of Customer Base	%	37.8%	28.3%	24.4%
Total MBs on the network	Mn MBs	3,216,897	1,539,746	1,105,839
Data Usage per customer	MBs	10,528	6,585	5,349
Homes Services				
Homes Customers	000's	2,245	2,172	2,164
Net Additions	000's	33	8	5
Average Revenue Per User (ARPU)	₹	821	929	948
Average Revenue Per User (ARPU)	US\$	11.4	14.5	14.7
Digital TV Services				
Digital TV Customers	000's	15,001	14,168	13,937
Net additions	000's	222	230	416
Average Revenue Per User (ARPU)	₹	231	228	233

Parameters	Unit	December 31, 2018	March 31, 2018	December 31, 2017
Average Revenue Per User (ARPU)	US\$	3.2	3.5	3.6
Monthly Churn	%	1.3%	1.1%	1.2%
Airtel Business Customer Base	000's	1,797	1,760	1,749
Parameters	Unit	December 31, 2018	March 31, 2018	December 31, 2017
Mobile Services	Mn Min	702,881	592,657	494,546
Homes Services	Mn Min	3,698	2,831	3,071
Airtel Business	Mn Min	2,744	2,714	2,869
National Long Distance Services	Mn Min	97,933	78,732	65,925
International Long Distance Services	Mn Min	4,423	5,085	5,476
Total Minutes on Network (Gross)	Mn Min	811,679	682,019	571,887
Eliminations	Mn Min	(98,024)	(78,412)	(65,871)
Total Minutes on Network (Net)	Mn Min	713,655	603,608	506,016
Parameters	Unit	December 31, 2018	March 31, 2018	December 31, 2017
Mobile Services				
Census Towns	Nos	7,906	7,899	7,897
Non-Census Towns & Villages	Nos	786,134	786,043	786,032
Population Coverage	%	95.3%	95.3%	95.3%
Optic Fibre Network	RKMs	273,600	237,893	233,720
Network towers	Nos	175,300	165,748	163,808
<i>Of which Mobile Broadband towers</i>	<i>Nos</i>	<i>164,859</i>	<i>144,708</i>	<i>130,334</i>
Total Mobile Broadband Base stations	Nos	371,562	298,014	259,002
Homes Services - Cities covered	Nos	90	89	89
Airtel Business - Submarine cable systems	Nos	7	7	7
Digital TV Services				
Districts Covered	Nos	639	639	639
Coverage	%	99.8%	99.8%	99.8%
Parameters	Unit	December 31, 2018	March 31, 2018	December 31, 2017
Bharti Infratel Standalone				
Total Towers	Nos	40,192	39,523	39,363
Total Co-locations	Nos	77,693	88,665	92,211
Key Indicators				
Sharing Revenue per sharing operator per month	₹	41,632	35,890	36,495
Average Sharing Factor	Times	1.95	2.29	2.38
Indus Towers				
Total Towers	Nos	124,069	123,639	122,962
Total Co-locations	Nos	230,372	278,408	288,727
Key Indicators				
Average Sharing Factor	Times	1.85	2.30	2.39
Bharti Infratel Consolidated				
Total Towers	Nos	92,301	91,451	91,007
Total Co-locations	Nos	174,449	205,596	213,476
Average Sharing Factor	Times	1.89	2.30	2.38

Africa			
Parameters	Unit	December 31, 2018	December 31, 2017
Customer Base	000's	97,922	84,130
Airtel Money Active Customers	000's	13,805	10,449
Data Usage per customer	MBs	1,248	997
Data Customer Base	000's	29,264	23,324
Network Towers	No's	20,582	19,054
Mobile Broadband Towers	No's	15,734	12,933

Partners

Our strategic partnership with SingTel has enabled us to expand and further enhance the quality of services to our customers. We also pioneered the outsourcing business model with long term strategic partnership in all areas including network equipment, information technology and call center. We partnered with global players who share our drive for co-creating innovative and tailor-made solutions. To name a few, our strategic partners include ZTE, Ericsson, Symantec, Nokia Solutions and Networks India Private Limited, and Cisco, among others.

We have always believed in the philosophy of ‘win customers for life’. Anticipating future market trends, we have entered into several strategic partnerships to enrich our service offerings.

Exclusive Online Content

Digitization continues to gain traction with technology reshaping the consumer experience. With people increasingly consuming more content, we have partnered with leading online content providers such as Netflix, Zee 5, Hotstar, Amazon Prime and ALT Balaji, to bring our customers closer to the best of content across different genres, and strengthen our competitiveness.

Other Technology Partnerships

Technology continues to play a critical role in a dynamic industry like ours. We have partnered with these players to leverage their technical excellence and integrate the same into our product portfolio. Some of these partnerships have helped create a stronger security platform amidst the evolving digital landscape.

Our Licenses and Spectrum

In alignment with GoI’s vision of a ‘Digital India’, we are making sustained investments to strengthen our network infrastructure. Our tower infrastructure, spectrum and other related assets form a strong manufactured capital base for our Company. The surging data traffic has made it imperative for us to have a stronger presence across the different spectrum bandwidth to widen our customer base. We have invested significantly until date in increasing our presence in spectrum portfolio bandwidth. A growing customer base in key areas across our multiple product segments is adequately supported by our strong spectrum bandwidth. We realize that the investments we make today will have a lasting impact on the near future. In India, our unpaired spectrum holding across 22 mobile telecom circles includes 250 MHz of spectrum in the 2100 MHz band, 232.80 MHz of spectrum in the 900 MHz band, 536.10 MHz of spectrum in the 1800 MHz band (includes Telenor’s 86.80 MHz unpaired spectrum in 1800 MHz band) and 570 MHz of spectrum in the 2300 MHz band.

Except for our licenses and administratively allocated spectrum in the telecom circles of Tamil Nadu including Chennai, Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra, Mumbai and Uttar Pradesh West which are scheduled to expire in 2021 and that of Bihar, Jammu & Kashmir, Odisha, Uttar Pradesh East, West Bengal and Assam which are scheduled to expire in 2024, we do not have any other access license that terminates in the next ten years. The table below sets forth the spectrum held by us across all telecom circles in India (*Source: TRAI*).

Telecom Circles	FDD (paired)				TDD (unpaired)			2 x (FDD) + TDD Spectrum
	900	1800	2100	Total	2300	2500	Total	Total (unpaired)
Andhra Pradesh	9.0	16.4	5.0	30.4	30.0	-	30.0	90.8
Assam	8.0	15.5	5.0	28.5	30.0	-	30.0	86.9
Bihar	7.8	15.2	10.0	33.0	30.0	-	30.0	96.0
Delhi	6.0	7.0	10.0	23.0	30.0	-	30.0	76.0
Gujarat	-	16.2	5.0	21.2	30.0	-	30.0	72.4
Haryana	-	16.2	5.0	21.2	20.0	-	20.0	62.4
Himachal Pradesh	7.4	10.2	5.0	22.6	30.0	-	30.0	75.2
Jammu & Kashmir	6.2	5.0	10.0	21.2	20.0	-	20.0	62.4
Karnataka	8.8	8.8	5.0	22.6	30.0	-	30.0	75.2
Kerala	-	11.2	5.0	16.2	20.0	-	20.0	52.4
Kolkata	7.0	9.0	-	16.0	30.0	-	30.0	62.0
Madhya Pradesh	-	17.0	5.0	22.0	20.0	-	20.0	64.0
Maharashtra	-	18.2	5.0	23.2	20.0	-	20.0	66.4
Mumbai	5.0	15.2	5.0	25.2	30.0	-	30.0	80.4
North East	8.8	10.0	5.0	23.8	30.0	-	30.0	77.6
Orissa	7.4	11.8	5.0	24.2	30.0	-	30.0	78.4
Punjab	10.0	10.0	-	20.0	20.0	-	20.0	60.0
Rajasthan	6.0	10.0	10.0	26.0	20.0	-	20.0	72.0
Tamilnadu*	6.2	8.0	10.0	24.2	30.0	-	30.0	78.4

Telecom Circles	FDD (paired)				TDD (unpaired)			2 x (FDD) + TDD Spectrum
	900	1800	2100	Total	2300	2500	Total	Total (unpaired)
Uttar Pradesh (East)	6.2	12.8	5.0	24.0	20.0	-	20.0	68.0
Uttar Pradesh (West)	-	18.2	5.0	23.2	20.0	-	20.0	66.4
West Bengal	6.6	6.2	5.0	17.8	30.0	-	30.0	65.6
Total 22 Telecom Circles	116.4	268.1	125.0	509.5	570.0	-	570.0	1,588.9

Awards and Recognitions

- Winner of Golden Peacock Award for Excellence in Corporate Governance in 2016.
- Ranked 'first' in corporate transparency and reporting by Transparency International in 2016.
- 'Best Governed Company Award 2016' by Asian Centre for Corporate Governance & Sustainability.
- Ranked in 'Top 10' (out of India's top 100 companies) on Indian Corporate Governance Scorecard.

HISTORY AND CORPORATE STRUCTURE

Brief History of our Company

Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by the RoC. Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC.

Our Company filed a prospectus dated February 7, 2002, in respect of an IPO of its equity shares of face value of ₹10 each. Such equity shares were listed on BSE, NSE and the Delhi Stock Exchange pursuant to the IPO, and were subsequently delisted from the Delhi Stock Exchange with effect from October 13, 2004.

Changes to the address of our registered office

The details of changes in our registered office since the incorporation of our Company are given below:

Date of change	Change in address	Reason(s) for change
March 2, 2009	From Qutub Ambience, H-5/12, Mehrauli Road, New Delhi – 110030, India to Aravali Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India	For administrative convenience
January 21, 2010	From Aravali Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India to Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India	For administrative convenience

Main objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

- "To promote & establish Companies, Funds, Associations or Partnerships for providing telecom networks and/or to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, videotext, voice mail and data systems, private switching network services, transmission network of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network. Multimedia communication systems or the combinations thereof and for execution of undertakings. Works, projects or enterprises in the Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares /securities in such companies, and funds and interest in such associations or partnerships.*
- To provide telecom networks and to run and maintain telecom services like basic/fixed line services, cellular/mobile services, paging, video-text, voice mail & data systems, private switching network services, transmission networks of all types, computer networks like local area network, wide area network, Electronic Mail, Intelligent network, Multi media communication systems or the combinations thereof.*
- To carry on the business of manufacturers, merchants, dealers, distributors, importers, exporters, buyers, sellers, agents and stockists, and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of telephone exchanges, telephone instruments -whether corded, cordless, mobile or of any other kind; tele- terminals, fax machines, telegraphs, recording instruments and devices, telephone message/ answering machines and devices; dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc; telecom switching equipments of all kinds; telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and to provide technical services in respect thereof or relating thereto.*
- To buy, sell, manufacture, assemble, repair, design, alter, research and improve, develop, exchange, ware- house, let on hire, import, export, and deal in all sorts of Electronic, non- Electronic, Computerized and Electrical items and equipment including Computer and Data Processing*

Equipment, Peripherals. Printers. Disc-drives, Intelligent Terminals, Modems, Software, Hardware, Personal Computers, 'CAD/CAM' Computer, Graphic Systems, Office Automation Equipments, Word processors, Phototypesetting, Text Editing and Electronic Printing and/or Typing Systems, Circuits, including integrated, hybrid, 'VLSI' Chips, Microprocessors and Microprocessor based equipment, Semiconductor Memories including bubble Memories, Discrete electronic devices, Facsimile Equipments, Copying Machines. Xerox Machines, Telephone Cable Pressurization Systems, Printed Circuit Boards, all sorts of automatic Float charges, Electronic, Electrical and Computerized Systems and Equipment and Plant and Machineries and Field Engineering support and for all above, their incidental and allied equipment, accessories, components, parts, sub-parts, tools, manufactured and semi manufactured goods, raw materials, plant and machineries, substance, goods, articles and things and VCR, VCP, Cassettes, Cameras, Radios, Stereo and Amplifiers, television sets, audio visual equipment, teleprinters, telecommunications satellite Station and electronic equipment, remote control systems, business machines, calculators, hoists, elevators, trolleys and their components including valves, transistors, resistors, condensers, coils and circuits.

5. *To guarantee/ counter guarantee the obligations of any of its subsidiary/ associate/ group companies and/or other companies in which the company has equity interest under any agreements/ contracts/ debentures, bonds, stocks, mortgages, charges and securities."*

The main objects as contained in our Memorandum of Association enable our Company to carry on our existing business.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Particulars
1995	<ul style="list-style-type: none"> Launched mobile services under the brand name 'Airtel' in Delhi through Bharti Cellular Limited*, our subsidiary
1999	<ul style="list-style-type: none"> Warburg Pincus (through its investment company Brentwood Investment Holdings Limited) acquired 5.26% equity interest in our Company in September 1999
2002	<ul style="list-style-type: none"> Listing of the equity shares of face value of ₹ 10 each on the BSE, NSE and Delhi Stock Exchange**, pursuant to our Company's IPO
2005	<ul style="list-style-type: none"> Became India's largest mobile operator in terms of mobile services subscriber base, with pan India footprint as on March 2005 Became first private telecom operator to complete pan India network across 23 circles
2008	<ul style="list-style-type: none"> Launched DTH services through Bharti Telemedia Limited, our Subsidiary
2009	<ul style="list-style-type: none"> Launched mobile services in Sri Lanka through Bharti Airtel Lanka (Private) Limited, our Subsidiary
2010	<ul style="list-style-type: none"> Entered Africa by concluding an agreement with Zain group to acquire Zain Africa BV
2011	<ul style="list-style-type: none"> Launched 3G services in India
2012	<ul style="list-style-type: none"> Launched 4G services in India
2013	<ul style="list-style-type: none"> Qatar Foundation Endowment SPC (through its affiliate Three Pillars Pte. Ltd.) invested approximately ₹ 67.96 billion in our Company
2017	<ul style="list-style-type: none"> Launched pan India payments bank through Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act

* Amalgamated with our Company with effect from April 1, 2004.

** Delisted with effect from October 13, 2004.

Corporate Structure of our Company

As of the date of this Letter of Offer, our Company has one Holding Company, BTL. Further, as of the date of this Letter of Offer, our Company has 100* Subsidiaries (including step-down Subsidiaries), seven** Associates Companies and eight Joint Ventures.

* Includes Airtel Payments Bank Limited which is our Subsidiary in accordance with the Companies Act. However, Airtel Payments Bank Limited has ceased to be a subsidiary under Ind AS 110. Airtel Payments Bank Limited has been considered as an associate under Ind AS 28. For details, see "Financial Statements" on page 113.

** Excludes Airtel Payments Bank Limited

Details regarding material mergers, demergers and amalgamation

- (i) Set forth below are the brief details of the mergers/amalgamations/demergers that were completed by our Company in Fiscals 2018 and 2019

Scheme of amalgamation between Telenor (India) Communications Private Limited (“Telenor”) and our Company

Pursuant to an order dated March 8, 2018, the National Company Law Tribunal, New Delhi (“NCLT Delhi”) sanctioned a scheme of amalgamation under Sections 230 to 232 of the Companies Act, whereby Telenor was permitted to be amalgamated into our Company. The transaction has received all regulatory and statutory approvals. The appointed date and effective date for such amalgamation was May 14, 2018. For details, see “*Outstanding Litigation and Defaults – Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.

Pursuant to the scheme, the entire business of Telenor including, *inter alia*, all assets including all permits, licences (UASL and UL issued by the DoT, authorisation and spectrum), movable and immovable properties, intellectual property rights and related documents, liabilities, contracts and agreements, employees, legal and other proceedings of Telenor, have been transferred and vested in our Company on a going concern basis. Further, pursuant to the scheme, our Company allotted five Equity Shares of face value of ₹ 5 each to Telenor South Asia Investment Pte. Limited, Singapore on May 14, 2018.

- (ii) Set forth below are the brief details of mergers/amalgamations/demergers pending sanction of the appropriate authorities

Scheme of amalgamation between Bharti Digital Networks Private Limited (earlier known as Tikona Digital Networks Private Limited) (“Bharti Digital”), our Subsidiary, and our Company

Pursuant to an order dated July 4, 2018, the NCLT Delhi sanctioned the scheme of amalgamation between Bharti Digital and our Company under Sections 230 to 232 of the Companies Act, whereby Bharti Digital is proposed to be amalgamated into our Company. The proposed amalgamation is pending before the DoT under the ‘Guidelines for the Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified License (UL) on compromises, arrangements and amalgamation of the companies’ dated February 20, 2014 issued by the DoT (“**Transfer-Merger Guidelines**”). For details, see “*Outstanding Litigation and Defaults – Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.

Pursuant to the proposed scheme, the entire business of Bharti Digital including, *inter alia*, all assets, moveable and immovable properties, intellectual property rights and related documents, liabilities, contracts and agreements, employees, legal and other proceedings, taxes and duties, power and authority of Bharti Digital, as applicable, is proposed to be transferred to and vested in our Company on a going concern basis. In consideration of the said amalgamation, there will be no issue and allotment of shares to the shareholders of Bharti Digital by our Company as Bharti Digital is our wholly owned Subsidiary.

Scheme of arrangement between Tata Teleservices Limited (“TTSL”), Bharti Hexacom Limited (“Bharti Hexacom”), our Subsidiary, and our Company

Pursuant to an order dated January 30, 2019, the NCLT Delhi sanctioned the composite scheme of arrangement between TTSL, Bharti Hexacom and our Company under Sections 230 to 232 of the Companies Act, for the proposed demerger of one part of the entire consumer wireless mobile business, undertakings, activities and operations of TTSL in its telecom circles (other than Rajasthan) and transferring and vesting it on a going concern basis (the “**Demerged Undertaking I**”) in our Company, and demerger of the other part of the entire consumer wireless mobile business, undertakings, activities and operations of TTSL in the telecom circles in Rajasthan and transferring and vesting it on a going concern basis (the “**Demerged Undertaking II**”) in Bharti Hexacom. The proposed demerger is pending before the DoT under the Transfer-Merger Guidelines. For details, see “*Outstanding Litigation and Defaults – Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.

Pursuant to the proposed scheme, all assets used by TTSL in relation to the Demerged Undertaking I and Demerged Undertaking II, including, *inter alia*, allocated spectrum, various resources granted by the DoT, current assets and deposits, statutory and regulatory approvals, base station transmitting or receiving equipment,

plants and machinery including related infrastructure, intellectual property and goodwill, right to use optical fibre network, subscribers, exclusive contracts and agreements, legal proceedings and liabilities, is proposed to be transferred to and vested in our Company and Bharti Hexacom, respectively, on a going concern basis. In consideration of the aforesaid demerger of Demerged Undertaking I, our Company shall issue and allot 500 fully paid-up redeemable, non-participating, non-cumulative preference shares of our Company of face value of ₹ 100 each to the equity shareholders of TTSL in proportion to their shareholding in TTSL. Further, in consideration of the aforesaid demerger of Demerged Undertaking II, Bharti Hexacom shall issue and allot 500 fully paid-up redeemable, non-participating, non-cumulative preference shares of Bharti Hexacom of face value of ₹ 100 each to the equity shareholders of TTSL in proportion to their shareholding in TTSL. The proposed scheme also provides for allotment of fully paid-up redeemable, non-participating, non-cumulative preference shares of our Company of face value of ₹ 100 each to be made to the preference shareholders of TTSL as consideration.

Scheme of arrangement between Tata Teleservices (Maharashtra) Limited (“TTML”) and our Company

Pursuant to an orders dated January 30, 2019 and December 4, 2018, the NCLT Delhi and National Company Law Tribunal, Mumbai, respectively, sanctioned the scheme of arrangement between TTML and our Company under Sections 230 to 232 of the Companies Act, for the proposed demerger of the entire consumer wireless mobile business, undertakings, activities and operations of TTML in its telecom circles in Mumbai and Maharashtra and transferring and vesting it on a going concern basis (“**Demerged Undertaking**”) in our Company. The proposed demerger is pending before the DoT under the Transfer-Merger Guidelines. For details, see “*Outstanding Litigation and Defaults – Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.

Pursuant to the proposed scheme, all assets used by TTML in relation to the Demerged Undertaking, including, *inter alia*, allocated spectrum, various resources granted by the DoT, current assets and deposits, statutory and regulatory approvals, base station transmitting or receiving equipments, plants and machinery including related infrastructure, intellectual property and goodwill, right to use optical fibre network, subscribers, exclusive contracts and agreements, legal proceedings and liabilities, is proposed to be transferred to and vested in our Company on a going concern basis. In consideration of the aforesaid demerger, our Company shall issue and allot one fully paid-up equity share of our Company of face value of ₹ 5 each to the equity shareholders of TTML for every 2,014 fully paid-up equity shares of TTML of face value of ₹ 10 each. The proposed scheme also provides for allotment of fully paid-up redeemable, non-participating, non-cumulative preference shares of our Company of face value of ₹ 100 each to be made to the preference shareholders of TTML as consideration.

Scheme of arrangement between Telesonic Networks Limited (“TNL”) and our Company

Pursuant to our Board resolution dated October 31, 2017 and consents received from the shareholders of our Company, a petition dated March 12, 2018 has been filed before the NCLT Delhi under Sections 230 to 232 of the Companies Act, for the sanction of a proposed scheme of arrangement whereby the optical fibre cable business undertaking of our Company, comprising of and including underground and over-ground cables, shall be transferred to and vested in TNL on a going concern basis by way of a slump sale (“**OFC Undertaking**”).

Pursuant to the proposed scheme, all assets in relation to the OFC Undertaking including, *inter alia*, the rights and permits, licenses, books and documents, earnest money and security deposits, employees specific to the OFC Undertaking, legal and other proceedings, liabilities and any other assets specifically allocated by our Board in relation to the OFC Undertaking, are proposed to be transferred to and vested in TNL. In consideration of the proposed scheme, TNL shall discharge a lump sum amount of ₹ 45,647 million to our Company, in the form of cash through normal banking channels, which will be subject to adjustments on account of incremental capital expenditure, working capital and the like incurred by our Company which shall in no event be in excess of ₹ 56,500 million.

Scheme of amalgamation and arrangement between Indus Towers Limited (“Indus Towers”) and Bharti Infratel Limited (“Bharti Infratel”), our Subsidiary

Pursuant to a resolution of the board of directors of Bharti Infratel dated April 24, 2018, a petition dated August 31, 2018 has been filed before the National Company Law Tribunal, Chandigarh under Sections 230 to 232 of the Companies Act, for the sanction of proposed scheme of amalgamation of Indus Towers on a going concern basis with Bharti Infratel.

Pursuant to the proposed scheme, the name of Bharti Infratel is proposed to be changed to ‘Indus Towers

Limited' and all the assets, liabilities, leases or licenses or rent agreements, immovable properties, governmental approvals including those relating to Infrastructure Category-I, permits, employees, legal and other proceedings of the Indus Towers are proposed to be transferred to and vested in Bharti Infratel on a going concern basis. Further, upon the proposed scheme becoming effective, equity shares held by Bharti Infratel and its nominees in Indus Towers will automatically stand cancelled and in consideration of the aforesaid amalgamation, Bharti Infratel will issue and allot 1,565 fully paid-up equity shares of face value of ₹ 10 each to the shareholders (except Bharti Infratel and its nominees) of Indus Towers for every one fully paid-up equity share of Indus Towers of face value of ₹ 1 each. Such issue and allotment will be subject to, *inter alia*, exercise of right by certain shareholders of Indus Towers, pursuant to arrangements entered into by Bharti Infratel with such shareholders, to require Bharti Infratel to purchase the equity shares held by them in Indus Towers.

OUR MANAGEMENT

Board of Directors

Our Articles of Association provide that the minimum number of Directors shall be 10 and the maximum number of Directors shall be 18 unless otherwise determined by our Company in a general meeting. As of the date of this Letter of Offer, our Company has 11 Directors, of which two Directors are Executive Directors and nine Directors are Non-Executive Directors, including six Independent Directors. Our Board is compliant with the requirements of the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of filing this Letter of Offer:

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
1.	<p>Mr. Sunil Bharti Mittal</p> <p>Designation: Chairman and Whole-time Director</p> <p>Date of Birth: October 23, 1957</p> <p>Term: Fixed term for a period of five years with effect from October 1, 2016 until September 30, 2021.</p> <p>Period of Directorship: Director since July 7, 1995</p> <p>DIN: 00042491</p> <p>Occupation: Businessman</p> <p>Address: 19, Amrita Shergil Marg, New Delhi – 110 003, India</p>	61	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> 1. Bharti Telecom Limited; 2. Airtel Payments Bank Limited; 3. Bharti (SBM) Holdings Private Limited; 4. Bharti Overseas Private Limited; 5. Bharti (SBM) Resources Private Limited; 6. Bharti Enterprises (Holding) Private Limited; 7. Bharti (Satya) Trustees Private Limited; 8. Bharti SBM Trustees II Private Limited; 9. Bharti (SBM) Services Private Limited; 10. Bharti (SBM) Trustees Private Limited; 11. Satya Bharti Foundation; 12. Bharti SBM Trustees S2 Private Limited; 13. Bharti SBM Trustees D1 Private Limited; and 14. Bharti SBM Trustees S1 Private Limited. <p><i>Foreign Companies:</i></p> <ol style="list-style-type: none"> 1. Qatar Endowment; and 2. Airtel Africa Limited.
2.	<p>Mr. Gopal Vittal</p> <p>Designation: Managing Director & CEO (India & South Asia)</p> <p>Date of Birth: June 18, 1966</p> <p>Term: Liable to retire by rotation in addition to a fixed term of five years with effect from February 1, 2018 until January 31, 2023</p> <p>Period of Directorship: Director since February 1, 2013</p> <p>DIN: 02291778</p> <p>Occupation: Professional</p> <p>Address: A2/1202, World SPA East, Sector – 30, Gurgaon – 122 001, Haryana, India</p>	52	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> 1. Satya Bharti Foundation; 2. Airtel Payments Bank Limited; 3. St. Jude India Childcare Centres; 4. Indus Towers Limited; and 5. Bharti Telemedia Limited. <p><i>Foreign Companies:</i></p> <p>None.</p>
3.	<p>Ms. Chua Sock Koong*</p> <p>Designation: Non-Executive Director</p> <p>Date of Birth: September 14, 1957</p>	61	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> 1. Bharti Telecom Limited. <p><i>Foreign Companies:</i></p>

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Term: Liable to retire by rotation Period of Directorship: Director since May 7, 2001 DIN: 00047851 Occupation: Professional Address: 15A, Oei Tiong Ham Park, Singapore 268302		1. Singapore Telecom International Pte Ltd; 2. Singapore Telecom Mobile Pte Ltd; 3. Singapore Telecommunications Limited; 4. Singtel Group Treasury Pte. Ltd; 5. Singtel Innov8 Holdings Pte. Ltd; 6. Singtel Innov8 Pte. Ltd; 7. Singtel Optus Pty Limited; 8. Defence Science and Technology Agency; 9. Cap Vista Pte Ltd; and 10. GSMA.
4.	Mr. Rakesh Bharti Mittal Designation: Non-Executive Director Date of Birth: September 18, 1955 Term: Liable to retire by rotation Period of Directorship: Director since July 7, 1995 until September 26, 2012 and re-appointed as Director since January 7, 2016 DIN: 00042494 Occupation: Businessman Address: 4, Pearl Lane, DLF Chhattarpur Farms, New Delhi – 110 074, India	63	<i>Indian Companies:</i> <ol style="list-style-type: none"> 1. Fieldfresh Foods Private Limited; 2. DM Buildwell Private Limited; 3. Bharti Realty Holdings Limited; 4. Bharti (RM) Holdings Private Limited; 5. Bharti AXA Life Insurance Company Limited; 6. Bharti AXA General Insurance Company Limited; 7. Bharti Overseas Private Limited; 8. Bharti (RM) Resources Private Limited; 9. Bharti (RM) Services Private Limited; 10. Bharti Enterprises (Holding) Private Limited; 11. Bharti (RM) Trustees Private Limited; 12. Bharti (Satya) Trustees Private Limited; 13. Indian School of Business; 14. Satya Bharti Foundation; 15. Bharti RM Trustees S2 Private Limited; 16. Bharti RM Trustees S1 Private Limited; and 17. Bharti RM Trustees II Private Limited. <i>Foreign Companies:</i> None.
5.	Ms. Tan Yong Choo Designation: Non-Executive Director Date of Birth: September 14, 1964 Term: Liable to retire by rotation Period of Directorship: Director since January 21, 2010 DIN: 02910529 Occupation: Professional Address: 22, Park Villas Green, Singapore 545430	54	<i>Indian Companies:</i> <ol style="list-style-type: none"> 1. Aspira Digital India Private Limited. <i>Foreign Companies:</i> <ol style="list-style-type: none"> 1. Optus Insurance Services Pty Limited; 2. Singtel EInvestments Pte Ltd; 3. Yes Lab Group Pty Limited; 4. Singtel Asia Pacific Investments Pte. Ltd.; 5. Singtel Interactive Pte. Ltd.; 6. STI Solutions Pte. Ltd.; 7. TE International (S) Pte Ltd; 8. Viridian Limited; 9. Singtel Global Investment Pte. Ltd.; 10. Singtel International Investments Private Limited; 11. Singtel Australia Investment Ltd; 12. Singtel Australia Investment Ltd (Singapore branch); 13. HOOQ Digital (Philippines) Inc.; and 14. InfoCom Holding Company Pte Ltd.

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
6.	<p>Mr. Craig Edward Ehrlich</p> <p>Designation: Independent Director</p> <p>Date of Birth: May 14, 1955</p> <p>Term: Fixed term of five years with effect from April 29, 2018 until April 28, 2023</p> <p>Period of Directorship: Director since April 29, 2009</p> <p>DIN: 02612082</p> <p>Occupation: Professional</p> <p>Address: Block B, 6/F, Best View Court, 66, MacDonnell Road, Hong Kong</p>	63	<p><i>Indian Companies:</i></p> <p>None.</p> <p><i>Foreign Companies:</i></p> <p>1. Novare Technologies Limited.</p>
7.	<p>Mr. Dinesh Kumar Mittal</p> <p>Designation: Independent Director</p> <p>Date of Birth: January 25, 1953</p> <p>Term: Fixed term of five years with effect from March 13, 2019 until March 12, 2024**</p> <p>Period of Directorship: Director since March 13, 2014</p> <p>DIN: 00040000</p> <p>Occupation: Professional</p> <p>Address: B – 71, Sector – 44, Noida – 201 301, Uttar Pradesh, India</p>	66	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> 1. Max Financial Services Limited; 2. Balrampur Chini Mills Limited; 3. Max India Limited; 4. Max Ventures and Industries Limited; 5. Trident Limited; 6. ONGC Tripura Power Company Limited; 7. Max Bupa Health Insurance Company Limited; 8. Atyati Technologies Private Limited; 9. Business Strategy Advisory Services Private Limited; 10. HSBC Asset Management (India) Private Limited; 11. Arohan Financial Services Limited; and 12. Max Life Insurance Company Limited. <p><i>Foreign Companies:</i></p> <p>None.</p>
8.	<p>Mr. Manish Santoshkumar Kejriwal</p> <p>Designation: Independent Director</p> <p>Date of Birth: November 8, 1968</p> <p>Term: Fixed term of five years with effect from September 26, 2017 until September 25, 2022</p> <p>Period of Directorship: Director since September 26, 2012</p> <p>DIN: 00040055</p> <p>Occupation: Professional</p> <p>Address: 3703 B, 37th and 38th Floor, Vivarea Building B Wing, Sane Guruji Marg, Jacob Circle, Mumbai – 400 011, Maharashtra, India</p>	50	<p><i>Indian Companies:</i></p> <ol style="list-style-type: none"> 1. Bajaj Holdings & Investment Limited; 2. Parksons Packaging Limited; 3. United World Colleges Committee (India) Governing Board; 4. Bajaj Finserv Limited; and 5. International Foundation for Research and Education. <p><i>Foreign Companies:</i></p> <p>None.</p>
9.	<p>Mr. Shishir Priyadarshi</p>	61	<p><i>Indian Companies:</i></p> <p>None.</p>

Sr. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Designation: Independent Director Date of Birth: October 23, 1957 Term: Fixed term of five years with effect from February 4, 2015 until February 3, 2020 Period of Directorship: Director since February 4, 2015 DIN: 03459204 Occupation: Professional Address: A-1/6, Panchsheel Enclave, New Delhi – 110 017, India		Foreign Companies: None.
10.	Mr. Vegulaparanan Kasi Viswanathan Designation: Independent Director Date of Birth: November 20, 1950 Term: Fixed term of five years with effect from January 14, 2019 until January 13, 2024 Period of Directorship: Director since January 14, 2014 DIN: 01782934 Occupation: Professional Address: F-01, 1 st Floor, Legacy Caldera, 56 SRT Road, Cunningham Road, Bengaluru – 560 052, Karnataka, India	68	Indian Companies: <ol style="list-style-type: none"> 1. KSB Limited; 2. United Spirits Limited; 3. Magma Fincorp Limited; 4. HDFC Life Insurance Company Limited; 5. Bosch Limited; 6. Magma HDI General Insurance Company Limited; 7. TransUnion CIBIL Limited; and 8. Century Metal Recycling Limited. Foreign Companies: None.
11.	Ms. Kimsuka Narasimhan Designation: Independent Director Date of Birth: May 3, 1964 Term: Fixed term of five years with effect from March 30, 2019 until March 29, 2024*** Period of Directorship: Director since March 30, 2019 DIN: 02102783 Occupation: Professional Address: No. 12, Marina Boulevard No.31-03, Marina Bay Financial Centre Tower 3, Singapore 018982	54	Indian Companies: <ol style="list-style-type: none"> 1. Astrazeneca Pharma India Limited; 2. Akzo Nobel India Limited; and 3. Kimberly-Clark India Private Limited. Foreign Companies: None.

* Whose name appears as Ms. Sock Koong Chua in the records maintained by the Ministry of Corporate Affairs, GoI, and as Ms. Chua Sock Koong as per her passport.

** Re-appointed for a further term of five years with effect from March 13, 2019 until March 12, 2024, pursuant to our Board resolution dated January 31, 2019, subject to approval of our Shareholders.

*** Appointed as an additional director by our Board, pursuant to its resolution dated March 30, 2019, for a term of five years, i.e., from March 30, 2019 to March 29, 2024, subject to approval of our Shareholders.

Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are related to each other.

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.
2. None of our Directors is or was a director of any listed company which has been or was delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

Service contracts with our Directors for benefits upon termination

No service contracts have been entered into by any Director with our Company providing for benefits upon their termination of employment.

Arrangement or understanding with major shareholders, customers, suppliers or others

Except for Ms. Chua Sock Koong and Ms. Tan Yong Choo, who have been nominated to our Board by Pastel, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which our Company has appointed a Director as of the date of this Letter of Offer.

SECTION V: FINANCIAL INFORMATION**FINANCIAL STATEMENTS**

Sr. No.	Particulars	Page Nos.
1.	Audited consolidated financial statements as at and for the year ended March 31, 2018	114
2.	Audited interim condensed consolidated financial statements as at and for the nine month period ended December 31, 2018	240

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARTI AIRTEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the joint venture referred to below in the Other Matters paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matters

- i. The Consolidated Financial Statements include the Group's share of profit of Rs. 11,816 Million and total comprehensive income of Rs. 11,817 Million for the year ended March 31, 2018, as considered in the Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor. Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.
- ii. The comparative financial information of the Group, its associates and joint ventures for the year ended and as at March 31, 2017 prepared in accordance with Ind AS included in these Consolidated Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company, its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited (“the Company”) and its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture company which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below the Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to joint venture, which is a company incorporated in India, is based solely on the corresponding report of the auditor of the joint venture company.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Ind AS Consolidated Financial Statements

		As of	
	Notes	March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	706,079	620,088
Capital work-in-progress	6	52,089	23,942
Goodwill	7	328,070	338,082
Other intangible assets	7	837,855	824,181
Intangible assets under development	7	45,423	84,443
Investment in joint ventures and associates	8	86,839	82,277
Financial assets			
- Investments	10	5,769	44,187
- Derivative instruments	11	2,031	4,732
- Security deposits	12	9,703	9,630
- Others	13	5,814	16,653
Income tax assets (net)		25,505	22,716
Deferred tax assets (net)	14	29,330	26,195
Other non-current assets	15	36,319	53,488
		2,170,826	2,150,614
Current assets			
Inventories		693	488
Financial assets			
- Investments	10	68,978	16,923
- Derivative instruments	11	8,941	2,060
- Trade receivables	16	58,830	47,402
- Cash and cash equivalents	17	47,886	12,817
- Other bank balances	17	18,820	38,166
- Others	13	27,462	19,737
Other current assets	15	103,380	44,445
		334,990	182,038
Total assets		2,505,816	2,332,652

.....Continued

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		As of	
	Notes	March 31, 2018	March 31, 2017
Equity and Liabilities			
Equity			
Share capital	18	19,987	19,987
Other equity		675,357	654,576
Equity attributable to owners of the Parent		695,344	674,563
Non-controlling interests ('NCI')		88,139	68,750
		783,483	743,313
Non-current liabilities			
Financial liabilities			
- Borrowings	20	849,420	896,373
- Derivative instruments	11	5,409	2,726
- Others	21	44,547	15,681
Deferred revenue		22,117	22,335
Provisions	22	7,212	7,471
Deferred tax liabilities (net)	14	10,606	9,429
Other non-current liabilities	23	623	727
		939,934	954,742
Current liabilities			
Financial liabilities			
- Borrowings	20	129,569	129,442
- Current maturities of long-term borrowings	20	134,346	47,062
- Derivative instruments	11	283	2,335
- Trade payables		277,675	268,537
- Others	21	140,605	90,212
Deferred revenue		48,666	48,785
Provisions	22	2,384	2,215
Current tax liabilities (net)		11,058	11,239
Other current liabilities	23	37,813	34,770
		782,399	634,597
Total liabilities		1,722,333	1,589,339
Total equity and liabilities		2,505,816	2,332,652

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

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

Sunil Bharti Mittal

Chairman

DIN: 00042491

Gopal Vittal

Managing Director & CEO

(India and South Asia)

DIN: 02291778

Hemant M. Joshi

Partner

(Membership No: 38019)

Nilanjan Roy

Global Chief Financial Officer

Pankaj Tewari

Company Secretary

Place: New Delhi

Date: April 24, 2018

	Notes	For the year ended	
		March 31, 2018	March 31, 2017
Income			
Revenue	25	836,879	954,683
Other income		2,488	1,206
		839,367	955,889
Expenses			
Network operating expenses	26	197,520	209,154
Access charges		90,446	102,786
License fee / spectrum charges (revenue share)		75,558	92,760
Employee benefits expense	27	39,771	43,032
Sales and marketing expenses	28	55,766	66,732
Other expenses	29	77,027	86,921
		536,088	601,385
Profit from operating activities before depreciation, amortisation and exceptional items		303,279	354,504
Depreciation and amortisation	30	192,431	197,730
Finance costs	31	93,255	95,466
Finance income	31	(12,540)	(18,492)
Non-operating expenses (net)		141	1,319
Share of results of joint ventures and associates	8	(10,609)	(10,449)
Profit before exceptional items and tax		40,601	88,930
Exceptional items	32	7,931	11,697
Profit before tax		32,670	77,233
Tax expense / (credit)			
Current tax	14	18,230	21,240
Deferred tax	14	(7,395)	13,579
Profit for the year		21,835	42,414

.....Continued

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	Notes	For the year ended	
		March 31, 2018	March 31, 2017
Profit for the year (continued from previous page)		21,835	42,414
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(7,181)	(41,424)
Net losses on net investment hedge		(8,024)	(10,330)
Net gains on cash flow hedge		809	857
Net gains on fair value through OCI investments		129	107
Tax charge	14	(122)	(16)
		(14,389)	(50,806)
Items not to be reclassified to profit or loss :			
Re-measurement gains / (losses) on defined benefit plans		205	(73)
Share of OCI of joint ventures and associates	8	18	(9)
Tax (charge) / credit		(29)	20
		194	(62)
Other comprehensive loss for the year		(14,195)	(50,868)
Total comprehensive income / (loss) for the year		7,640	(8,454)
Profit for the year attributable to :		21,835	42,414
Owners of the Parent		10,990	37,998
Non-controlling interests		10,845	4,416
Other comprehensive loss for the year attributable to :		(14,195)	(50,868)
Owners of the Parent		(13,445)	(48,655)
Non-controlling interests		(750)	(2,213)
Total comprehensive income / (loss) for the year attributable to :		7,640	(8,454)
Owners of the Parent		(2,455)	(10,657)
Non-controlling interests		10,095	2,203
Earnings per share (Face value : Rs. 5 each) (In Rupees)			
Basic	33	2.75	9.51
Diluted	33	2.75	9.51

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
 (Firm's Registration No. 117366W / W-100018)

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

Sunil Bharti Mittal
Chairman
 DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
 DIN: 02291778

Hemant M. Joshi
Partner
 (Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **April 24, 2018**

	Equity attributable to owners of the Parent										Non-controlling interests	Total equity
	Share capital		Other equity									
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	Reserves and surplus		Share-based payment reserve	NCI reserve	Other components of equity (Note 19)	Total		
General reserves					Debenture redemption reserve							
As of April 1, 2016	3,997,400	19,987	123,456	453,279	27,030	-	5,169	51,165	(12,393)	647,706	54,981	722,674
Profit for the year	-	-	-	37,998	-	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	-	-	-	37,936	-	-	-	-	(48,593)	(10,657)	2,203	(8,454)
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	3,997,400	19,987	123,456	483,638	27,030	-	4,065	77,216	(60,829)	654,576	68,750	743,313
Profit for the year	-	-	-	10,990	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	-	-	-	11,184	-	-	-	-	(13,639)	(2,455)	10,095	7,640
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-	-	-	-	(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-
Dividend paid (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	(18,475)	-	(18,475)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	3,997,400	19,987	123,456	475,481	23,040	7,500	782	119,841	(74,743)	675,357	88,139	783,483

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

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer
Date: **April 24, 2018**

Pankaj Tewari
Company Secretary

Place: **New Delhi**

	For the year ended	
	March 31, 2018	March 31, 2017
Cash flows from operating activities		
Profit before tax	32,670	77,233
Adjustments for :		
Depreciation and amortisation	192,431	197,730
Finance costs	93,255	95,466
Finance income	(12,540)	(18,492)
Share of results of joint ventures and associates	(10,609)	(10,449)
Exceptional items	325	(276)
Employee share-based payment expense	413	338
Other non-cash items	10,410	7,900
Operating cash flow before changes in working capital	306,355	349,450
Changes in working capital		
Trade receivables	(24,474)	5,366
Trade payables	15,122	7,640
Inventories	(202)	948
Provisions	154	(26)
Other financial and non financial liabilities	51,205	3,558
Other financial and non financial assets	(35,899)	(52,550)
Net cash generated from operations before tax	312,261	314,386
Income tax paid	(13,723)	(31,587)
Net cash generated from operating activities (a)	298,538	282,799
Cash flows from investing activities		
Purchase of property, plant and equipment	(245,259)	(223,030)
Proceeds from sale of property, plant and equipment	5,655	4,462
Purchase of intangible assets *	(17,749)	(155,673)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net movement in current investments	(50,259)	5,785
Purchase of non-current investments	-	(89,073)
Sale of non-current investments	36,495	82,557
Investment in subsidiary, net of cash acquired / associate	(19,498)	(283)
Sale of subsidiaries	-	59,604
Sale of tower assets	4,869	7,120
Investment in associate	(60)	(250)
Proceeds from sale of interest in associate / joint venture	-	447
Dividend received	10,377	9,789
Interest received	5,662	2,305
Net cash used in investing activities (b)	(279,676)	(306,044)
Cash flows from financing activities		
Proceeds from borrowings	197,664	258,584
Repayment of borrowings	(130,717)	(274,608)
Net proceeds from short-term borrowings	(26,874)	25,377
Proceeds from sale and finance leaseback of towers	2,958	6,277
Repayment of finance lease liabilities	(3,932)	(3,899)
Purchase of treasury shares	(424)	-
Interest and other finance charges paid	(44,041)	(58,566)
Proceeds from exercise of share options	13	65
Dividend paid (including tax)	(32,652)	(9,168)
Proceeds from issuance of equity shares to NCI (refer note 5)	21	1,245
Sale of interest in a subsidiary (refer Note 5)	57,189	61,863
Purchase of shares from NCI (refer note 5)	-	(10,684)
Net cash generated from / (used in) financing activities (c)	19,205	(3,514)
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	38,067	(26,759)
Effect of exchange rate on cash and cash equivalents	281	(756)
Cash and cash equivalents as at beginning of the year	(9,880)	17,635
Cash and cash equivalents as at end of the year (Note 17)	28,468	(9,880)

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

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

Sunil Bharti Mittal
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Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer
Date: April 24, 2018

Pankaj Tewari
Company Secretary

Place: **New Delhi**

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 36. For details as to the Group structure, refer note 39.

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on April 24, 2018.

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

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.17), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - which are measured at fair value.

Fair value measurement

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

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

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

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

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

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

2.3 Basis of consolidation

a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

Investment in joint ventures and associates are accounted for using equity method; from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate. The said investments are tested at-least annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis, after adjusting for business combination adjustments (refer note 2.4). Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

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

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

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

2.5 Foreign currency transactions

a. Functional and presentation currency

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

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

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.6 Current versus non-current classification

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

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.18 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that

future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease or 10 -20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Plant and equipment	
- Network equipment (including passive infrastructure)	3 - 20
- Customer premise equipment	5 - 6
- Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Other equipment, operating and office equipment	
Computer equipment	3
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.8 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer note 2.4). Goodwill is not amortised; however it is tested annually for impairment (refer note 2.9) and carried at cost less any accumulated impairment losses. The gains / (losses) on the disposal of a cash-generating-unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

The intangible assets that are acquired in a business combination are recognised at its fair value there at. Other intangible assets are recognised at cost. These assets having definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding three years.

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships which ranges from one year to five years

Non-compete fee: Over the period of the agreement which ranges upto five years

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer note 2.21), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of Goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

b. PPE, intangible assets and intangible assets under development

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

2.10 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all the non-derivative financial liabilities as measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally

enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Hedging activities

I. Fair value hedge

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

Some of the group entities use certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further,

the Group designates certain such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to an recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

III. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gains or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

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

2.11 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Contingent rents are recognised as income / expense in the period in which they are earned / incurred.

a. Group as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

b. Group as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a straight-line basis over the lease term.

The Group enters into 'Indefeasible right to use' ('IRU') arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.12 Taxes

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

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current income tax assets / liabilities.

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

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

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

2.15 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets that are carried at fair value. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for the held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation / amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.16 Share capital / Securities premium account / Treasury shares

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

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.17 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the group employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligation is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligation are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Group operates equity-settled and cash-settled, employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but

excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.18 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided

at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.19 Contingencies

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

2.20 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes, duties, discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

a. Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging, value added services and broadcasting. It also includes revenue towards interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognised upfront. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised under other current financial assets.

Certain business' service revenues include income from registration and installation, which are amortised over the period of agreement since the date of activation of services.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

b. Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

d. Capacity swaps

The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

e. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

f. Dividend income

Dividend income is recognised when the Group's right to receive the payment is established. For further details, refer note 2.10

2.21 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset

that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.22 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

2.23 Non-operating expense / income

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies whereas non-operating income pertains to certain fee income in one of the group entities.

2.24 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

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

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

3.1 Critical accounting estimates and assumptions

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

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, goodwill and intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9. Accordingly the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

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.

b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature

and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

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

c. Property, plant and equipment

Refer note 2.7 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Group had reassessed useful life of certain categories of network assets due to technological developments and accordingly, had revised the estimate of its useful life in respect of those assets. Out of those assets, the additional depreciation charge of Rs. 3,258 on assets for which the revised useful life had expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of Rs. 6,969 for other assets has been recognised within 'Depreciation and amortisation' during the year ended March 31, 2017. The impact of above change on the depreciation charge for the future years after March 31, 2018 is as follows:

	Year Ended		Future period till end of life
	March 31, 2019	March 31, 2020	
Impact on future depreciation charge	(2,765)	(1,133)	16,988

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

e. Contingent liability

Refer note 24 (i) for details of contingent liability.

3.2 Critical judgement's in applying the Group's accounting policies

The critical judgement's, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

a. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

c. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Group has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. As a consequence of issuance of Ind AS 115, relevant paragraphs have been inserted / amended in various other standards.

The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in Ind AS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Group does not expect that the adoption of the said standard and related amendments will have any significant impact on the consolidated financial statements per se.

5. Significant transactions / new developments

- a) During the year ended March 31, 2018, the Group has entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.
- b) i. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with Millicom International Cellular S.A. to acquire 100% equity interest in Tigo Rwanda Limited. The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of Rs. 362 between the fair value of purchase consideration (including contingent consideration) aggregating to Rs. 3,200 and provisional fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

The contingent consideration arrangement requires the Group to pay between Nil to Rs. 554 (undiscounted basis) which is contingent on the achievement of meeting a target performance and is essentially an earn out condition. As at the acquisition date, the fair value of the said consideration was Rs. 339 determined using the discounted cash flow and estimated probability of payout.

The initial accounting for the acquisition has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary deferred tax related implications and calculations thereto had not been finalised and they have therefore only been provisionally determined based on the management's best estimate.

From the date of acquisition, the acquired entity has contributed for the year ended March 31, 2018, revenue of Rs. 473 and loss of Rs. 85 to the revenue and profit of the Group respectively, Management estimates if the said business combination had taken place at the beginning of the year, the statement of profit and loss would show pro-forma revenue of Rs. 839,816 and the profit of Rs. 20,209.

ii. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with seller of Tikona Digital Networks Private Limited ('TDNPL') to acquire 100% equity interest in TDNPL. The difference of Rs. 739 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to synergies expected from the combined operation of the Group and TDNPL.

iii. The fair value of the assets and liabilities recognised at the date of acquisition for the above acquisitions are as follows:

	Tigo	Tikona	Total
Non-current assets			
Property, plant and equipment (including CWIP)	4,634	206	4,840
Intangible assets	945	17,258	18,203
Non-current liabilities			
Borrowings	1,786	10,538	12,324
Deferred tax liabilities	-	1,709	1,709
Working capital	(955)	3,014	2,059
Net assets acquired	2,838	8,231	11,069

- c) During the year ended March 31, 2017, the Group signed a definitive agreement to enter into 50-50 joint venture between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of their respective ownership interest of operations in Ghana. Further during the year ended March 31, 2018, as the closing conditions for consummation of the transaction have been fulfilled, the Group and Millicom International Cellular have formed a joint venture to combine their telecommunication operations in Ghana.

The details of consideration received (determined on provisional basis), assets and liabilities over which control was lost and gain on disposal (recorded as exceptional item) is as follows:

A. Consideration received	As of October 12, 2017
Fair value of consideration received	7,663

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B. Net assets disposed off**Non-current assets**

Property, plant and equipment	5,776
Goodwill and other intangible assets	7,962
Others	47

Current Assets

Cash and cash equivalents	135
Trade receivables	640
Other current assets	570

Total Assets (a)	15,130
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Non-current liabilities

Others	862
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Current liabilities

Borrowings	4,278
Trade payable	2,065
Others	895

Total Liabilities (b)	8,100
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Net assets disposed off (a-b)	7,030
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C. Gain on disposal*	312
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D. Net cash inflow on disposal

Consideration received in cash and cash equivalent	-
Less: cash and cash equivalents held by the entity	(135)
	(135)

*Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss and provision towards future contractual settlements.

- d) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company / Bharti Hexacom Limited (subsidiary of the Company) was entered into. Further, the board of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.
- e) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company had bought back its approx. 47 Mn shares against a consideration of Rs. 425 per share aggregating to Rs. 20,000, wherein the Company and other shareholders had tendered the shares in the ratio of 62%

and 38% approximately. Accordingly, the shareholding of the Company in BIL had increased by 0.25%, and hence the consideration paid to NCI over and above the reduction in their carrying value amounting Rs. 1,514 had been recognised in NCI reserve, a component of equity.

Further, the Group has sold approx. 150.5 Mn equity shares and 190.6 Mn equity shares of BIL during the year ended March 31, 2018 and March 31, 2017 respectively. The excess of proceeds (net of associated transaction costs, taxes and regulatory levies) over the change in NCI amounting to Rs. 42,598 and Rs. 39,241 during the year ended March 31, 2018 and March 31, 2017 has been recognised directly in NCI reserve, a component of equity.

- f) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.
- g) During the year ended March 31, 2017, Bharti Telemedia Limited ('BTL'), a subsidiary of the Company allotted 500 Mn shares, against a consideration of Rs. 10 per share aggregating to Rs. 5,000, to the Company and Bharti Enterprises Limited ('BEL') in the ratio of their existing shareholding (viz. 95:5). Accordingly, the Group had allocated BEL's share of accumulated losses in BTL to the extent of capital contribution received from BEL.
- h) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 1800 MHz band for six circles against a consideration of Rs. 46,530 from Videocon Telecommunications Limited.
- i) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 2300 MHz band for eight circles against a consideration of Rs. 35,000 from Airtel Limited and its subsidiaries Dishnet Wireless Limited.
- j) During the year ended March 31, 2017, the Group acquired 24.89% of shares in Airtel Ghana Limited by subscribing to the right issue through the conversion of existing shareholder loans hereby, increasing its shareholding to 99.89%. The excess of consideration over the carrying value of the interest acquired, Rs. 9,130, had been recognised in transaction with NCI reserve, a component of equity.
- k) During the year ended March 31, 2017, the Group acquired 4.20% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 83.25%. The excess of consideration paid to NCI over the carrying value of the interest acquired, Rs. 3,923, had been recognised in transaction with NCI reserve, a component of equity.

- I) (i) During the year ended March 31, 2017, the Group merged its business operations in Bangladesh with Robi Axiata Limited and accordingly lost control over Airtel Bangladesh Limited and acquired 25% stake in the merged entity (viz. Robi Axiata Limited) as an associate of the Group.

- (ii) During the year ended March 31, 2017, the Group had sold Group's operations in Burkina Faso and Sierra Leone.

The details of consideration received, assets and liabilities over which control was lost and gain on disposals (recorded as exceptional item) is as follows:

A. Consideration received

	As of		
	June 22, 2016	July 19, 2016	November 16, 2016
	Burkina Faso	Sierra Leone	Bangladesh
Fair value of consideration received	39,554	22,185	25,956

B. Net assets disposed off

Non-current assets			
Property, plant and equipment	6,922	4,110	18,661
Goodwill and other intangible assets	25,232	8,972	16,765
Others	1,203	1,014	720
Current Assets			
Cash and cash equivalents	1,017	402	426
Trade receivables	1,153	132	689
Other current assets	3,953	629	1,752
Total Assets (a)	39,480	15,259	39,013
Non-current liabilities			
Others	1,018	153	961
Current liabilities			
Borrowings	1,074	73	7,445
Trade payable	9,090	904	4,681
Others	1,096	69	2,812
Total Liabilities (b)	12,278	1,199	15,899
Net assets disposed off (a-b)	27,202	14,060	23,114

C. Gain on disposal *	8,404	1,778	2,038
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D. Net cash inflow on disposal

Consideration received in cash and cash equivalent (net of transaction tax)	39,554	20,820	-
Less: cash and cash equivalents held by the entity	58	(402)	(426)
	39,612	20,418	(426)

*Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss, transactional taxes, deferred gains on account of transaction with associate and provision towards future contractual settlements.

- m) During the year ended March 31, 2017, the Group has been allotted 172 MHz spectrum across 1800 / 2100 / 2300 MHz. Consequently, the Group had paid amount of Rs. 74,018 upfront and opted the deferred payment option for Rs. 66,764.
- n) During the year ended March 31, 2017, the Group had sold its entire stake in its African associate, Tanzania Telecommunications Company Limited and recognised gain of Rs. 443 on disposal as exceptional item.
- o) During the year ended March 31, 2017, the Group had acquired 100% equity stake of Augere Wireless Broadband India Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant conditions the transactions has been consummated and goodwill of Rs. 150 has been recognised. Subsequently, with effect from February 15, 2017, AWBPL had merged with the Company through the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956.

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6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2018 and 2017:

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer	Total
Gross carrying value									
As of April 1, 2016	9,163	11,873	3,687	1,230,511	3,661	2,414	9,212	85,745	1,356,266
Additions / capitalisation	378	86	351	202,705	710	157	981	4,309	209,677
Disposals / adjustments	(471)	(153)	(241)	(28,714)	(361)	(151)	(1,496)	(3,136)	(34,723)
Sale of subsidiaries / towerco operation^	(130)	(610)	(97)	(69,400)	(970)	(115)	(328)	(4,777)	(76,427)
Net transfers to / from assets- held-for-sale	-	-	-	4,990	-	-	-	-	4,990
Exchange differences	(537)	(788)	(262)	(53,624)	(317)	(131)	(942)	(10,635)	(67,236)
As of March 31, 2017	8,403	10,408	3,438	1,286,468	2,723	2,174	7,427	71,506	1,392,547
Additions / capitalisation	318	147	123	220,354	389	57	798	7,688	229,874
Acquisition through business combinations^	15	157	-	3,996	-	19	-	510	4,697
Disposals / adjustments	229	(498)	520	(38,517)	(29)	(52)	(547)	119	(38,775)
Sale of subsidiaries^	(82)	(66)	-	(9,184)	(145)	(4)	(114)	(1,345)	(10,940)
Exchange differences	127	9	131	(4,665)	59	88	(54)	(141)	(4,446)
As of March 31, 2018	9,010	10,157	4,212	1,458,452	2,997	2,282	7,510	78,337	1,572,957
Accumulated depreciation									
As of April 1, 2016	6,674	2,841	127	651,301	2,493	1,977	6,791	73,554	745,758
Charge#	804	570	5	136,400	561	177	1,040	6,474	146,031
Disposals / adjustments	(503)	677	5	(26,576)	688	(151)	(2,278)	(3,332)	(31,470)
Sale of subsidiaries / towerco operation^	(98)	(152)	-	(38,421)	(900)	(96)	(268)	(3,949)	(43,884)
Net transfers to / from assets- held-for-sale	-	-	-	1,374	-	-	-	-	1,374
Exchange differences	(392)	(245)	(9)	(33,975)	(491)	(94)	(621)	(9,523)	(45,350)
As of March 31, 2017	6,485	3,691	128	690,103	2,351	1,813	4,664	63,224	772,459
Charge#	533	495	18	128,189	429	176	1,028	6,154	137,022
Disposals / adjustments	228	(384)	(33)	(32,400)	(3)	(28)	(170)	119	(32,671)
Sale of subsidiaries^	(60)	(27)	-	(4,168)	(134)	(3)	(90)	(1,222)	(5,704)
Exchange differences	122	5	11	(4,318)	13	72	(42)	(91)	(4,228)
As of March 31, 2018	7,308	3,780	124	777,406	2,656	2,030	5,390	68,184	866,878
Net carrying value									
As of March 31, 2017	1,918	6,717	3,310	596,365	372	361	2,763	8,282	620,088
As of March 31, 2018	1,702	6,377	4,088	681,046	341	252	2,120	10,153	706,079

^Refer note 5 (b), (c), (l) & (o)

#It includes Rs. 3,672 (March 31, 2017 Rs. 2,936) on account of exceptional item with respect to plant and equipment (refer note 32 (i) a & (ii) b, c, d) and Rs. 387 (March 31, 2017 Rs. 510) on account of court approved scheme / arrangements.

@Refer note 24 (ii) (a) for assets given on operating lease

The carrying value of CWIP as at March 31, 2018 and 2017 is Rs. 52,089 and Rs. 23,942 respectively, which mainly pertains to plant and equipment.

The following table summarises the detail of the significant assets taken on finance lease:

Plant and equipment	As of	
	March 31, 2018	March 31, 2017
Gross carrying value@	36,453	37,165
Accumulated depreciation	19,898	18,757
Net carrying value	16,555	18,408

@During the year ended March 31, 2017, sale and lease back of 1,510 towers in two of the African countries was completed for a consideration of Rs. 13,193. The portion leased back which have been classified as finance lease, has been retained at the carrying value of Rs. 5,430 and the finance lease obligation has been recorded at Rs. 5,855, being the fair value of the leased back portion.

For details towards pledge of the above assets refer note 20.

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7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2018 and 2017:

	Goodwill #	Other intangible assets				Total
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	
Gross carrying value						
As of April 1, 2016	431,018	16,218	19,901	771,197	4,405	811,721
Additions / capitalisation	-	2,783	4,903	205,372	5,463	218,521
Acquisition through business combinations^	150	-	-	1,250	-	1,250
Disposals / adjustments@	-	(92)	(86)	(1,095)	-	(1,273)
Sale of subsidiaries / towerco operation^	(44,066)	(944)	(182)	(19,015)	-	(20,141)
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	(25,525)
As of March 31, 2017	340,719	17,982	23,582	933,212	9,777	984,553
Additions / capitalisation	-	3,637	7,451	64,352	6	75,446
Acquisition through business combinations^	1,084	-	-	321	632	953
Disposals / adjustment@	-	(140)	(824)	(10,362)	(389)	(11,715)
Sale of subsidiaries^	(6,310)	-	(463)	(16,112)	-	(16,575)
Exchange differences	(4,783)	2	(71)	(2,830)	102	(2,797)
As of March 31, 2018	330,710	21,481	29,675	968,581	10,128	1,029,865
Accumulated amortisation						
As of April 1, 2016	-	12,027	5,342	108,011	2,302	127,682
Charge	-	2,780	1,507	48,611	2,247	55,145
Disposals / adjustments@	-	36	(82)	(1,127)	(100)	(1,273)
Sale of subsidiaries / towerco operation^	-	(792)	(68)	(8,849)	-	(9,709)
Exchange differences	-	13	(79)	(11,344)	(63)	(11,473)
As of March 31, 2017	-	14,064	6,620	135,302	4,386	160,372
Charge	-	2,731	1,663	52,612	2,462	59,468
Disposals / adjustments@	-	(140)	(824)	(10,362)	(389)	(11,715)
Sale of subsidiaries^	-	-	(53)	(14,868)	-	(14,921)
Exchange differences	-	2	(9)	(1,295)	108	(1,194)
As of March 31, 2018	-	16,657	7,397	161,389	6,567	192,010
Net carrying value						
As of March 31, 2017	338,082	3,918	16,962	797,910	5,391	824,181
As of March 31, 2018	328,070	4,824	22,278	807,192	3,561	837,855

#Net carrying value of goodwill includes accumulated impairment of Rs. 2,640.

^Refer note 5 (b), (c), (l) & (o)

@Mainly pertains to gross block and accumulated amortisation of license (including spectrum), bandwidth and software whose useful life has expired.

The carrying value of Intangible assets under development as at March 31, 2018 and March 31, 2017 is Rs. 45,423 and Rs. 84,443 respectively, which pertains to spectrum.

During the year ended March 31, 2018 and 2017 the Group has capitalised borrowing cost of Rs. 3,037 and Rs. 2,750 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2018 and March 31, 2017 is 15.88 years and 16.60 years respectively.

For details towards pledge of the above assets refer note 20.

Impairment review

The Group tests goodwill for impairment annually on December 31. During the year ended March 31, 2018, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of	
	March 31, 2018	March 31, 2017
Mobile Services - Africa	281,182	291,959
Mobile Services - India	40,413	39,676
Airtel business	6,131	6,103
Homes Services	344	344
	328,070	338,082

The recoverable amount of the above CGUs are based on value-in-use, which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal 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 the internal / external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins
- Discount rate
- Growth rates
- Capital expenditures

EBITDA margins: The 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 competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Company; whereas, factors like higher churn, 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 and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Post-tax discount rates used are 18.20% / 10.60% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2018 and 17.55% / 9.13% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2017. The post-tax discount rates as grossed up for tax impact during the projection period (marginal tax rates are mainly in the range of 30% to 40%) are the pre-tax discount rates used for discounting the cash flows.

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 internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2018 and ranged from 3.5% to 4.0% for March 31, 2017.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience after considering the 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 Homes Services, Mobile Services - India CGU group (as of December 31, 2016) and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - India CGU group, the recoverable amount exceeds the carrying amount by Rs. 349,671 (25.5%) as of December 31, 2017. An increase of 1.78% in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by Rs. 54,087 (15.2%) as of December 31, 2017 and Rs. 33,103 (8.1%) as of December 31, 2016. An increase of 2.4% (December 31, 2016: 0.9%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

8. Investment in joint ventures and associates

Details of joint ventures:

S.no.	Name of joint ventures	Principal place of business	Principal activities	Ownership interest	
				% As of	
				March 31, 2018	March 31, 2017
1	Indus Towers Limited*	India	Passive infrastructure services	22.49	25.91
2	Airtel Ghana Limited\$	Ghana	Telecommunication services	49.95	-
3	Millicom Ghana Company Limited\$	Ghana	Telecommunication services	49.95	-
4	Airtel Mobile Commerce Ghana Limited\$	Ghana	Mobile commerce services	49.95	-
5	Mobile Financial Services Limited\$	Ghana	Mobile commerce services	49.95	-
6	Bharti Airtel Ghana Holdings B.V.\$	Netherlands	Investment company	50	-
7	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
8	FireFly Networks Limited	India	Telecommunication services	50	50

* Bharti Infratel Limited, in which the Group has 53.54% equity interest (61.68% as of March 31, 2017), owns 42% of Indus Towers Limited .

\$ w.e.f. October 12, 2017, refer note 5 (c).

Details of associates:

S.no.	Name of associates	Principal place of business	Principal activities	Ownership interest	
				% As of	
				March 31, 2018	March 31, 2017
1	Seychelles Cable Systems Company Limited	Seychelles	Submarine cable system	26	26
2	Robi Axiata Limited (refer note 5 (I))	Bangladesh	Telecommunication services	25	25
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited (w.e.f. November 29, 2017)	India	Digital books publishing services	10.71	-

The amounts recognised in the balance sheet are as follows:

	As of	
	March 31, 2018	March 31, 2017
Joint ventures	64,714	59,461
Associates	22,125	22,816
	86,839	82,277

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended	
	March 31, 2018	March 31, 2017
Recognised in profit and loss		
Joint ventures	10,715	11,091
Associates	(106)	(642)
	10,609	10,449
Recognised in other comprehensive income		
Joint ventures	1	(9)
Associates	17	-
	18	(9)

The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarised balance sheet

	As of				
	Joint ventures		Associate		
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Assets					
Non current assets	201,576	207,357	12,102	104,308	95,480
Current assets					
Cash and cash equivalents ('C&CE')	1,063	1,121	1,759	1,111	1,507
Other current assets (excluding 'C&CE')	33,534	17,182	2,120	8,899	6,904
Total current assets	34,597	18,303	3,879	10,010	8,411
Liabilities					
Non current liabilities					
Borrowings	9,556	10,589	4,122	6,078	8,578
Other liabilities	31,751	30,294	716	2,836	2,706
Total non current liabilities	41,307	40,883	4,838	8,914	11,284
Current liabilities					
Borrowings	30,683	24,090	869	22,177	11,620
Other liabilities	32,233	28,522	12,283	37,396	33,521
Total current liabilities	62,916	52,612	13,152	59,573	45,141
Equity	131,950	132,165	(2,009)	45,831	47,466
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Interest in joint venture / associate	55,419	55,509	(1,005)	11,458	11,867
Consolidation adjustment (including goodwill / accounting policy alignment)	2,691	3,900	7,548	10,162	10,700
Carrying amount of investment	58,110	59,409	6,543	21,620	22,567

Summarised information on statement of profit and loss

	For the year / period ended				
	Joint ventures		March 31, 2018	Associate	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Revenue	187,424	174,817	5,612	52,635	19,901
Depreciation and amortisation	27,766	26,116	1,388	11,574	7,958
Finance income	995	376	-	66	52
Finance cost	5,053	5,440	789	1,343	479
Income tax expense	16,593	15,273	3	1,385	(1,814)
Profit / (loss) for the year / period	31,013	28,451	(1,092)	(1,668)	(4,932)
OCI / loss for the year / period	3	(22)	-	76	-
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Group's share in profit / (loss) for the year	13,025	11,949	(546)	(417)	(1,233)
Group's share in OCI / (loss) for the year / period	1	(9)	-	19	-
Consolidation adjustments / accounting policy alignment	(1,209)	(866)	(564)	135	51
Group's share in profit / (loss) recognised@	11,816	11,083	(1,110)	(282)	(1,182)
Dividend received from joint venture / associate	10,010	9,510	-	-	-

@During the year ended March 31, 2017 loss of Rs. 540 has been recognised as exceptional item for Robi Axiata Limited (refer note 32 (ii) (f)).

*Based on consolidated financial statements of the entity

The aggregate information of joint ventures that are individually immaterial is as follows:

	As of	
	March 31, 2018	March 31, 2017
Carrying amount of investments	61	52
Group's share in joint ventures	For the year ended	
	March 31, 2018	March 31, 2017
Net profit	9	8
Total comprehensive income	9	8

The aggregate information of associates that are individually immaterial is as follows:

	As of	
	March 31, 2018	March 31, 2017
Carrying amount of investments	505	249
Cumulative unrecognised losses	-	90

Group's share in associates'	For the year ended	
	March 31, 2018	March 31, 2017
Net profit	176	0
Total comprehensive income	176	0
Unrecognised losses	-	46

Refer note 24 for Group's share of joint venture's and associate's commitments and contingencies.

9. Investments in subsidiaries

Information as to the subsidiaries which are part of the Group is as follows:

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries	
			As of	
			March 31, 2018	March 31, 2017
1	Telecommunication services	India	4	3
2	Telecommunication services	Africa	8	7
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	India	-	-
6	Mobile commerce services	Africa	13	14
7	Infrastructure services	Africa	4	4
8	Infrastructure services	South Asia	-	2
9	Direct to home services	Africa	-	1
10	Submarine cable	Mauritius	1	1
11	Investment company	Netherlands	22	25
12	Investment company	Mauritius	7	6
13	Investment company	Others	3	4
14	Others	India	2	1
			71	75

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			As of	
			March 31, 2018	March 31, 2017
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	7	8
3	Mobile commerce services	India	1	1
4	Mobile commerce services	Africa	3	3
5	Infrastructure services	India	1	1
6	Infrastructure services	Africa	2	3
7	Direct to home services	India	1	1
8	Investment company	Africa	1	1
9	Others	India	-	1
			18	21

Additionally, the Group also controls the employee stock option plan trusts as mentioned herebelow:

S. no.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:-

Summarised balance sheet

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	As of		As of		As of	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Assets						
Non current assets	135,827	178,274	94,539	89,157	53,692	63,174
Current assets	76,121	47,118	8,931	6,984	465	5,343
Liabilities						
Non current liabilities	14,613	14,705	2,628	3,560	32,288	37,798
Current liabilities	18,159	43,952	35,949	25,753	37,573	43,049
Equity	179,176	166,735	64,893	66,828	(15,704)	(12,330)
% of ownership interest held by NCI	46.46%	38.32%	30.00%	30.00%	16.75%	16.75%
Accumulated NCI	83,245	63,893	19,468	20,049	(2,630)	(2,064)

Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	64,751	60,178	44,181	51,313	66,781	69,543
Net profit / (loss)	22,651	25,624	(1,119)	6,601	(2,927)	(22,173)
Other comprehensive income / (loss)	24	84	2	(1)	(450)	(2,010)
Total comprehensive income / (loss)	22,675	25,708	(1,117)	6,600	(3,377)	(24,183)
Profit / (loss) allocated to NCI	9,530	7,242	(335)	2,007	(566)	(4,810)

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Net cash inflow from operating activities	34,694	28,662	9,882	15,162	20,141	13,605
Net cash outflow from investing activities	(18,551)	(2,434)	(14,884)	(16,443)	(9,213)	(10,291)
Net cash (outflow) / inflow from financing activities	(35,548)	(26,648)	2,883	49	(13,270)	(6,497)
Net cash outflow	(19,405)	(420)	(2,119)	(1,232)	(2,342)	(3,183)
Dividend paid to NCI (including tax)	3,411	1,873	246	695	-	-

*Based on consolidated financial statements of the entity (refer note 5 (e))

10 Investments

Non-current

	As of	
	March 31, 2018	March 31, 2017
Investment at FVTPL		
Government securities	292	38,783
Equity instruments	2,672	2,648
Mutual funds	334	308
Preference shares	318	316
	3,616	42,055
Investment at FVTOCI		
Bonds	2,153	2,132
	2,153	2,132
	5,769	44,187

Current**Investment at FVTPL**

Mutual funds	51,038	221
Government securities	11,798	13,089
Corporate deposits	-	1,425
Bonds	1,001	-
Non-convertible debenture	997	-
	64,834	14,735

Investment at FVTOCI

Government securities	3,904	1,711
Commercial paper	240	477
	4,144	2,188
	68,978	16,923

Aggregate book / market value of quoted investments

Non-current	2,777	41,222
Current	65,074	15,466

Aggregate book value of unquoted investments

Non-current	2,992	2,965
Current	3,904	1,457

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11 Derivative financial instruments

	As of	
	March 31, 2018	March 31, 2017
Assets		
Currency swaps, forward and option contracts	8,541	814
Interest swaps	2,101	4,963
Embedded derivatives	330	1,015
	10,972	6,792
Liabilities		
Currency swaps, forward and option contracts	474	3,412
Interest swaps	5,210	880
Embedded derivatives	8	769
	5,692	5,061
Non-current derivative financial assets	2,031	4,732
Current derivative financial assets	8,941	2,060
Non-current derivative financial liabilities	(5,409)	(2,726)
Current derivative financial liabilities	(283)	(2,335)
	5,280	1,731

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12 Security deposits

	As of	
	March 31, 2018	March 31, 2017
Considered good*	9,703	9,630
Considered doubtful	1,357	1,464
Less: provision for doubtful deposits	(1,357)	(1,464)
	9,703	9,630

Security deposits primarily include deposits given towards rented premises, cell sites and interconnect ports.

*It includes amount due from related party refer note 35.

For details towards pledge of the above assets refer note 20.

13 Financial assets – others

Non-current

	As of	
	March 31, 2018	March 31, 2017
Rent equalisation	4,164	4,183
Tower sale receivable	-	10,323
Bank deposits	950	744
Margin money deposits	419	554
Claims recoverable	74	73
Others	207	776
	5,814	16,653

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is provided in the table given below:

	As of	
	March 31, 2018	March 31, 2017
Bank deposits	30	25
Margin money deposits	8	0
Tower sale receivable	-	474
	38	499

Current

	As of	
	March 31, 2018	March 31, 2017
Unbilled revenue	16,136	15,880
Claims recoverable	1,180	2,007
Receivable on sale of business / tower assets*	8,736	-
Interest accrued on investments / deposits	870	1,447
Others#	540	403
	27,462	19,737

*Interest accrued on tower sale receivable amounts to Rs. 150 and is included within 'interest accrued on deposits' above.

#It includes finance lease receivables and amounts due from related party (refer note 35).

For details towards pledge of the above assets refer note 20.

14 Income tax

The major components of the income tax expense are:

	For the year ended	
	March 31, 2018	March 31, 2017
Current income tax		
- For the year	21,082	21,332
- Adjustments for prior periods	(2,852)	(92)
	18,230	21,240
Deferred tax		
- Origination and reversal of temporary differences	(4,536)	18,436
- Effect of change in tax rate	411	-
- Adjustments for prior periods	(3,270)	(4,857)
	(7,395)	13,579
Income tax expense	10,835	34,819

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

	For the year ended	
	March 31, 2018	March 31, 2017
Profit before tax	32,672	77,233
Tax expense @ company's domestic tax rate of 34.608%	11,307	26,728
Effect of:		
Share of profits in associates and joint ventures	(3,985)	(3,618)
Tax holiday	303	778
Adjustments in respect of previous years	(6,125)	(4,967)
Effect of changes in tax rate	411	-
Additional taxes / taxes for which no credit is allowed	2,339	4,466
Difference in overseas tax rates	(77)	(465)
Items subject to different tax rates	452	(4,311)
(Income) / expense (net) not taxable / deductible	(551)	1,065
Tax on undistributed retained earnings	2,434	2,184
Items for which no deferred tax asset was recognised	4,662	12,311
Settlement of various disputes	(395)	369
Others	60	279
Income tax expense	10,835	34,819

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

	As of	
	March 31, 2018	March 31, 2017
Deferred tax assets (net)		
a) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets	(86,565)	(66,798)
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	16,291	13,004
Carry forward losses	23,424	3,382
Unearned income	576	385
Employee benefits	1,285	1,133
Minimum alternate tax ('MAT') credit	57,484	57,465
Lease rent equilisation	7,093	6,983
Fair valuation of financial instruments and exchange differences	8,210	7,748
Rates and taxes	1,431	1,527
Others	101	1,366
	29,330	26,195

Deferred tax liabilities (net)	As of	
	March 31, 2018	March 31, 2017
a) Deferred tax liability due to		
Lease rent equilisation (net)	3,639	4,076
Fair valuation of financial instruments and exchange differences	(569)	691
Depreciation / amortisation on PPE / intangible assets	6,242	4,112
Undistributed retained earnings	3,541	2,987
Others	115	187
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	(1,652)	(1,389)
Carry forward losses	(498)	(720)
Unearned income	7	(301)
Employee benefits	(219)	(214)
	10,606	9,430

Deferred tax expense	For the year ended	
	March 31, 2018	March 31, 2017
Provision for impairment of debtors / advances	2,604	2,858
Carry forward losses	19,575	(99)
Unearned income	(497)	23
Employee benefits	162	235
MAT credit	(47)	1,223
Lease rent equilisation (net)	658	789
Fair valuation of financial instruments and exchange differences	864	2,377
Rates and taxes	(96)	1,527
Depreciation / amortisation on PPE / intangible assets	(16,178)	(22,496)
Undistributed retained earnings	(549)	(259)
Others	899	243
Net deferred tax expense	7,395	(13,579)

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	16,766	34,226
Tax expense / (credit) recognised in statement of profit or loss	7,395	(13,579)
Tax income recognised in equity	-	1,426
Tax expense on Business combination	(1,709)	-
Tax expense recognised in OCI:		
- on net investments hedge	(122)	(10)
- on fair value through OCI investments	(29)	(6)
Exchange differences and others	(3,577)	(5,291)
Closing balance	18,724	16,766

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses (including capital losses) of Rs 509,731 and Rs 484,266 as of March 31, 2018 and March 31, 2017 respectively, as it is not probable that relevant taxable profits will be available in future. The applicable tax rates for the same vary from 3% to 45%, depending on the tax jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2018 and March 31, 2017, Rs. 70,508 and Rs. 58,861 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

Expiry date	As of	
	March 31, 2018	March 31, 2017
Within one - three years	52,694	38,289
Within three - five years	31,265	44,242
Above five years	355,264	342,874
	439,223	425,405

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating to Rs. 130,715 and Rs. 129,808 as of March 31, 2018 and March 31, 2017 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of 10% to 21% depending on the tax rates applicable as of March 31, 2018 in the relevant jurisdiction. Further, the Group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

15 Other non-financial assets

Non-current

	As of	
	March 31, 2018	March 31, 2017
Advances (net)#	32,267	32,980
Capital advances	1,147	2,961
Prepaid expenses	1,600	1,783
Taxes recoverable	-	15,092
Others	1,305	672
	36,319	53,488

#Advances represent payments made to various government authorities under protest and are disclosed net of provision (refer note 22).

Capital advances includes advance payment of Nil and Rs. 1,720 towards spectrum as at March 31, 2018 and March 31, 2017 respectively.

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Current

	As of	
	March 31, 2018	March 31, 2017
Taxes recoverable	74,004	13,524
Advances to suppliers (net)	17,642	17,054
Prepaid expenses	9,275	11,490
Others*	2,459	2,377
	103,380	44,445

*It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily include Goods and service tax ('GST'), customs duty, excise duty, service tax and sales tax.

Advance to suppliers are disclosed net of provision of Rs. 2,680 and Rs. 2,128 as of March 31, 2018 and March 31, 2017 respectively.

16 Trade receivables

	As of	
	March 31, 2018	March 31, 2017
Unsecured		
Considered good*	58,830	47,402
Considered doubtful	51,579	42,258
Less: provision for doubtful receivables	(51,579)	(42,258)
	58,830	47,402

*It includes amount due from related party refer note 35.

Refer note 36 (iv) for credit risk

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	42,258	35,080
Additions	10,163	8,509
Write off (net of recovery)	(1,156)	(873)
Exchange differences	314	(458)
Closing balance	51,579	42,258

For details towards pledge of the above assets refer note 20.

17 Cash and bank balances

Cash and cash equivalents ('C&CE')

	As of	
	March 31, 2018	March 31, 2017
Balances with banks		
- On current accounts	8,218	9,871
- Bank deposits with original maturity of 3 months or less	37,862	2,532
Cheques on hand	986	16
Cash on hand	820	398
	47,886	12,817

Other bank balances

Restricted cash*	15,289	11,408
Earmarked bank balances - unpaid dividend	70	22,250
Term deposits with bank	2,119	3,360
Margin money deposits	1,342	1,148
	18,820	38,166

*It represents cash received from subscriber of mobile commerce services.

Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is as below:

	As of	
	March 31, 2018	March 31, 2017
Cash and cash equivalents		
- Bank deposits with original maturity 3 months or less	1	2
	1	2
Other bank balance		
- Margin money deposits	33	31
- Term deposits with bank	124	69
	157	100
	158	102

For the purpose of the consolidated cash flow statement, C&CE are as following:

	As of	
	March 31, 2018	March 31, 2017
C&CE as per balance sheet	47,886	12,817
Bank overdraft	(19,418)	(22,697)
	28,468	(9,880)

18 Share capital

	As of	
	March 31, 2018	March 31, 2017
Issued, subscribed and fully paid-up shares		
3,997,400,102 equity shares of Rs. 5 each	19,987	19,987
	19,987	19,987

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to cast one vote per share.

b. Treasury shares

	For the year ended			
	March 31, 2018		March 31, 2017	
	No. of shares ('000')	Amount	No. of shares ('000')	Amount
Opening balance	1,345	367	1,882	524
Purchased during the year	906	424	-	-
Exercised during the year	(532)	(149)	(537)	(157)
Closing balance	1,719	642	1,345	367

c. Dividend

	For the year ended	
	March 31, 2018	March 31, 2017
A Declared and paid during the year:		
Interim dividend for 2017-18 : Rs. 2.84 per share*	13,658	-
Dividend on treasury shares*	6	-
*(including dividend distribution tax @ 20.36% of Rs. 2,311)		
Final dividend for 2016-17 : Re. 1 per share#	4,810	-
Dividend on treasury shares#	1	-
#(including dividend distribution tax of Rs. 814 @ 20.36%)		
Final dividend for 2015-16 : Rs. 1.36 per share^	-	6,541
Dividend on treasury shares^	-	2
^(including dividend distribution tax Rs. 1,107 @ 20.36%)		
	18,475	6,543
B Proposed dividend		
Final dividend for 2017-18: Rs. 2.50 per share (2016-17 : Rs 1 per share)	9,993	3,997
Dividend distribution tax for 2017-18 @ 20.56% (2016-17 @ 20.36%)	2,054	814
	12,047	4,811

The proposed dividend being subject to approval at respective annual general meetings, no related corresponding liability has been recognised in the respective financial years.

19 Other equity

- a. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting, as required.

- b. **General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost of the related treasury shares, is transferred to general reserve.

- c. **Debenture redemption reserve:** Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.

Other components of equity

	FCTR*	CFHR	FVTOCI reserve	Treasury shares	Total
As of April 1, 2016	(11,149)	(724)	4	(524)	(12,393)
Net losses due to foreign currency translation differences	(42,134)	-	-	-	(42,134)
Net losses on net investment hedge	(7,402)	-	-	-	(7,402)
Net gains on cash flow hedge	-	857	-	-	857
Net gains on fair value through OCI investments	-	-	86	-	86
Exercise of share options	-	-	-	157	157
As of March 31, 2017	(60,685)	133	90	(367)	(60,829)
Net losses due to foreign currency translation differences	(7,056)	-	-	-	(7,056)
Net losses on net investment hedge	(7,508)	-	-	-	(7,508)
Net gains on cash flow hedge	-	810	-	-	810
Net gains on fair value through OCI investments	-	-	115	-	115
Purchase of treasury shares	-	-	-	(424)	(424)
Exercise of share options	-	-	-	149	149
As of March 31, 2018	(75,249)	943	205	(642)	(74,743)

*During the year ended March 31, 2018 and 2017, the Group has reclassified gain of Rs. 60 and loss Rs. 2,073 respectively, from FCTR to statement of profit and loss on sale of foreign subsidiaries (refer note 5).

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20 Borrowings

Non-current

	As of	
	March 31, 2018	March 31, 2017
Secured		
Term loans	16,836	11,474
Vehicle loans*	29	31
	16,865	11,505
Less: Current portion (A)	(14,498)	(4,322)
Less: Interest accrued but not due (refer note 21)	(111)	(130)
	2,256	7,053
Unsecured		
Term loans#	71,011	69,067
Non-convertible bonds@	389,558	373,765
Non-convertible debentures^	30,068	-
Deferred payment liabilities**	455,602	439,204
Finance lease obligations	48,831	57,089
	995,070	939,125
Less: Current portion (B)	(119,848)	(42,740)
Less: Interest accrued but not due (refer note 21)	(28,058)	(7,065)
	847,164	889,320
	849,420	896,373
Current maturities of long-term borrowings (A + B)	134,346	47,062

Current

	As of	
	March 31, 2018	March 31, 2017
Secured		
Bank overdraft	5,060	663
	5,060	663
Unsecured		
Term loans	76,816	92,094
Commercial papers	33,507	14,820
Bank overdraft	14,358	22,034
	124,681	128,948
Less: Interest accrued but not due (refer note 21)	(172)	(169)
	129,569	129,442

*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of Rs. 3,331 and Rs. 9,810 as of March 31, 2018 and March 31, 2017 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii).

^During the year ended March 31, 2018, the Group has issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of Rs. 10 Lakhs each, at par aggregating to Rs. 30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021 respectively.

**During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability viz-a-viz currently allowed 10 instalments. Accordingly, the Company has exercised the option, increasing the remaining number of instalments by 6 annual instalments for all its existing deferred payment liabilities.

20.1 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

20.1.2 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

As of March 31, 2018							
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	-
Term loans	3.38%	Monthly	10	2,716	-	-	-
	4.95% - 5.00%	Quarterly	10 - 11	472	472	264	-
	2.56% - 5.02%	Half yearly	1 - 14	8,181	6,465	13,078	4,424
	2.72% - 4.32%	Annual	1	19,625	-	-	-
	6.00% - 8.98%	Quarterly	3 - 15	5,263	7,363	15,763	-
	7.85% - 8.40%	Half yearly	3 - 9	863	2,725	11,743	-
	7.90%	Annual	2	880	880	-	-
	7.70% - 8.35%	One time	1	63,800	-	-	-
	7.05% - 8.05%	One time	1	33,507	-	-	-
Commercial papers	7.05% - 8.05%	One time	1	33,507	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	80,144	23,842	157,688	129,978
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	8.05% - 10.30%	Monthly / Annual	8 - 119 / 2	4,858	5,194	18,573	20,151
Bank overdraft	3.88% - 10.65%	Payable on demand	N/A	16,684	-	-	-
	14.00% - 19.00%	Payable on demand	N/A	2,734	-	-	-
				264,253	59,169	298,655	499,576

*The instalments amount due are equal / equated per se.

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	As of March 31, 2017						
	Interst rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	9.25% - 9.48%	Monthly	2 - 35	15	12	5	-
Term loans	0.63%	One time	1	3,891	-	-	-
	1.68% - 1.97%	On demand	N/A	28,372	-	-	-
	4.26% - 4.28%	Quarterly	14 - 15	1,029	1,029	1,573	-
	1.45% - 4.52%	Half yearly	1 - 16	10,810	9,069	15,327	8,746
	2.30%	Annual	1	3,243	-	-	-
	7.00% - 8.00%	Quarterly	3 - 12	2,525	2,554	2,450	-
	6.25% - 8.35%	Half yearly	1 - 9	983	3,513	15,988	1,750
	8.00%	Annual	3	1,630	880	880	-
	7.85% - 8.75%	One time	1	55,250	-	-	-
	11.25% - 12.20%	One time	1	1,209	-	-	-
	16.90%	Quarterly	14	182	182	272	-
	23.11%	Half yearly	1	97	-	-	-
Commercial papers	6.35%	One time	1	14,820	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	-	69,328	74,414	226,691
Deferred payment liabilities	9.30 - 10.00%	Annual	7 - 10	26,814	35,991	78,331	298,031
Finance lease obligations	9.77% - 10.25%	Monthly / Annual	7 - 119 / 3	5,360	5,835	17,828	27,524
Bank overdraft	1.54% - 8.80%	Payable on demand	N/A	17,851	-	-	-
	9.90% - 16.50%	Payable on demand	N/A	4,582	-	-	-
	26.70%	Payable on demand	N/A	265	-	-	-
				178,928	128,393	207,068	562,742

*The installments amount due are equal / equated per se.

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20.1.3 Interest rate and currency of borrowings

Currency	Weighted average rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.33%	603,521	106,298	497,223
USD	5.47%	337,319	58,572	278,747
Euro	3.73%	139,954	-	139,954
CHF	3.00%	23,843	-	23,843
XAF	6.61%	4,691	-	4,691
XOF	6.80%	7,047	1,421	5,626
Others	8.48% to 19.00%	5,278	2,799	2,479
March 31, 2018		1,121,653	169,090	952,563

INR	9.48%	542,731	86,577	456,154
USD	5.05%	372,361	88,598	283,763
Euro	3.73%	121,037	-	121,037
CHF	3.00%	22,705	-	22,705
XAF	6.56%	5,893	-	5,893
XOF	7.10%	5,180	-	5,180
Others	11.06% to 25.74%	7,224	4,886	2,338
March 31, 2017		1,077,131	180,061	897,070

20.2 Security details

The Group has taken borrowings in various countries mainly for working capital, capital expenditure and refinancing of existing borrowings. The details of security provided by the Group in various countries are as follows:

Entity	Outstanding loan amount		Security detail
	March 31, 2018	March 31, 2017	
Bharti Airtel Ltd.	29	31	Hypothecation of vehicles
Bharti Airtel Africa BV and its subsidiaries	21,838	12,128	Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC.
	21,867	12,159	

Africa operations acquisition related borrowing:

Borrowings include certain loans which have been taken to refinance the Africa acquisition related borrowing. These loan agreements prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to pledge any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro bonds due in 2018 and USD bonds due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness. All notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari-pasu with such indebtedness. The limitation on indebtedness covenant on Euro bonds due in 2018 and USD bonds due in 2023 gets suspended on notes meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements.

20.3 Unused lines of credit*

The below table provides the details of un-drawn credit facilities that are available to the Group.

	As of	
	March 31, 2018	March 31, 2017
Secured	1,542	57
Unsecured	171,531	194,592
	173,073	194,649

*Excludes non-fund based facilities

21 Financial liabilities - others

Non-current

	As of	
	March 31, 2018	March 31, 2017
Lease rent equalisation	14,496	13,377
Payable towards acquisition@	1,440	-
Security deposits	1,294	1,237
Others*#	27,317	1,067
	44,547	15,681

*It includes advance amounting to Rs. 26,077 as on March 31, 2018, received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

@Refer note 5 (b)

Current

	As of	
	March 31, 2018	March 31, 2017
Payables against capital expenditure	80,940	65,860
Interest accrued but not due	28,341	7,364
Payable against business / asset acquisition@	13,523	4,104
Employees payables	5,879	5,364
Security deposit^	4,372	4,148
Others#	7,550	3,373
	140,605	90,212

@It includes payable to Qualcomm Asia Pacific Pte. Limited for Rs. 4,104 (towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited) and other acquisitions during the year.

^It pertains to deposits received from subscriber / channel partners which are repayable on demand after adjusting the outstanding amount, if any.

#It includes account balances of customers and distributors of payments bank, non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based payment plans.

22 Provisions**Non-current**

	As of	
	March 31, 2018	March 31, 2017
Asset retirement obligations	4,523	5,359
Gratuity	2,006	1,956
Other employee benefit plans	683	156
	7,212	7,471

Current

	As of	
	March 31, 2018	March 31, 2017
Gratuity	662	616
Other employee benefit plans	1,722	1,599
	2,384	2,215

The movement of provision towards asset retirement obligations is as below:

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	5,359	5,064
Net (reversal) / additions	(868)	823
Interest cost	37	248
Disposal of subsidiaries / tower operations (refer note 5)	(5)	(776)
Closing balance	4,523	5,359

Refer note 27 for movement of provision towards various employee benefits.

The movement of provision towards subjudice matters is as below:

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	131,061	113,436
Net additions	20,738	17,625
Closing balance	151,799	131,061

The said provision has been disclosed under:

	As of	
	March 31, 2018	March 31, 2017
Other non-financial assets (refer note 15)	53,910	48,915
Other non-financial liabilities (refer note 23)	4,685	4,619
Trade payables	93,204	77,527
	151,799	131,061

The said provisions pertain to payable / paid under protest spectrum usage charges / licenses fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

23 Other non - financial liabilities

Non-current

	As of	
	March 31, 2018	March 31, 2017
Deferred rent	623	727
	623	727

Current

	As of	
	March 31, 2018	March 31, 2017
Taxes payable	37,376	25,961
Others#	437	8,809
	37,813	34,770

#As of March 31, 2017, it includes dividend payable by one of the subsidiary to its NCI amounting to Rs. 8,512.

Taxes payable mainly pertains to GST, service tax, sales tax, other taxes payable and provision towards subjudice matters (refer note 22).

24 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	March 31, 2018	March 31, 2017
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	31,560	39,085
-Income Tax	15,712	20,150
-Customs Duty	7,646	5,899
-Entry Tax	9,878	9,252
-Stamp Duty	596	596
-Municipal Taxes	1,488	1,276
-Department of Telecom ('DoT') demands	40,778	37,560
-Other miscellaneous demands	5,164	8,000
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	10,733	9,371
-Others	2,708	3,631
	126,263	134,820

Further, refer note f (iv), (v), (vi) and g below for other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is Rs. 21,816 and Rs. 17,507 as of March 31, 2018 and March 31, 2017 respectively.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Group under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Group has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

c) Access charges / Port charges

- (i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company and one of its subsidiaries filed a petition against the demand with the TDSAT which allowed payments to be on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.
- (ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.
- (iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

The custom authorities, in some states, demanded custom duty 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 Group is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Group, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Group 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 Group 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 Group, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Group has decided to maintain status-quo on its position and hence continues to disclose it as contingent liability.

f) DoT demands

- a) Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company and of its subsidiaries along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial years for which demand have been received.
- b) Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.
- c) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and one of its subsidiaries and based on legal advice, the Company and one of its subsidiaries believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

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

- d) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange

fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Supreme Court.

- (v) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for Rs. 52,013 towards levy of one time spectrum charge. The demand includes a retrospective charge of Rs. 9,090 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 Rs. 42,923 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 and one of its subsidiaries, 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 and one of its subsidiaries, 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 matter is currently pending with Hon'ble High Court of Bombay. The Company and one of its subsidiaries, based on independent legal opinions, till date has not given any effect to the above demand.

- (vi) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of Rs. 3,500 on the Company. The Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

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 since 2010 been a subsidiary of Bharti Airtel Nigeria B.V. ('BANBV'), which is an indirect subsidiary of Bharti Airtel Limited. Airtel Networks and / or BANBV have since 2010 been defending cases filed by Econet Wireless Limited ('EWL') where EWL was claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

EWL inter alia commenced arbitral proceedings in Nigeria contesting the acquisition by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V. – 'BANBV') of the controlling stake in Airtel Networks Limited in 2006, wherein BANBV was one of the defendants. The Final Award ('FA') by the Arbitral Tribunal as to the same was

pronounced in 2014. Subsequently, various applications were filed to challenge / enforce the FA in the High Court and the Supreme Court of Nigeria by BANBV and Econet respectively. Further, EWL had filed conservatory attachment proceedings in the Netherlands against BANBV for enforcement of the Final Award, and also pursuing a claim for compensation against BANBV's parent (Bharti Airtel Nigeria Holdings II B.V.) and Grandparent (Bharti Airtel Africa B.V.) alleging that these entities acted unlawfully and induced breach of contract by the selling shareholders. Separately, Airtel Networks Limited was a defendant in an action where EWL was claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

Under the 2010 share purchase agreement, the Group had certain indemnities from Zain BV in relation to these proceedings. In 2016, the Group had initiated arbitration against Zain B.V. and its guarantor, Mobile Telecommunications Company in relation to the said indemnities under the share purchase agreement.

During the year ended March 31, 2017, Zain and Company has entered into an agreement to settle these matters along with other tax cases covered under indemnities. Separately, the Company and EWL have entered into an agreement to settle all these disputes and consequent withdrawal of all the proceedings in all courts across all jurisdictions. The net settlement amount as adjusted for the related indemnification assets and provisions resulted in a loss of Rs. 732 which has been recognised and disclosed as an exceptional item.

Guarantees:

Guarantees outstanding as of March 31, 2018 and March 31, 2017 amounting to Rs. 129,565 and Rs. 129,131 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is Rs. 891 and Rs. 396 as of March 31, 2018 and March 31, 2017 respectively.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 137,280 and Rs. 102,008 as of March 31, 2018 and March 31, 2017 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 4,126 and Rs. 4,684 as of March 31, 2018 and March 31, 2017 respectively.

Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') are as follows:-

As lessee

	As of	
	March 31, 2018	March 31, 2017
Not later than one year	70,692	65,945
Later than one year but not later than five years	244,153	244,475
Later than five years	70,652	92,978
	385,497	403,398
Lease rentals (including lease equalisation adjustments)	70,875	70,883

The above lease arrangements are mainly pertaining to passive infrastructure and premises / land. Certain of these lease agreements have escalation clause upto 25% and include option of renewal from 1 to 15 years.

The FMLP obligation disclosed above include the below FMLP obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the parent and its subsidiaries, with a joint venture of the Group.

	As of	
	March 31, 2018	March 31, 2017
Not later than one year	45,156	41,639
Later than one year but not later than five years	149,465	159,691
Later than five years	15,253	31,677
	209,874	233,007

As lessor

(i) The Group has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right to use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

(ii) The FMLP receivables against assets (other than above IRU assets) are as follows:

	As of	
	March 31, 2018	March 31, 2017
Not later than one year	21,933	21,574
Later than one year but not later than five years	68,228	86,447
Later than five years	37,574	38,430
	127,735	146,451

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 2.5%.

b) Finance lease

As lessee

Finance lease obligation of the Group as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	9,930	5,053	4,877
Later than one year but not later than five years	38,989	14,702	24,287
Later than five years	23,335	3,723	19,612
	72,254	23,478	48,776

Finance lease obligation of the Group as of March 31, 2017 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	10,792	5,446	5,346
Later than one year but not later than five years	40,117	16,449	23,668
Later than five years	33,221	5,689	27,533
	84,130	27,584	56,547

The above lease arrangements are mainly pertaining to passive infrastructure.

As lessor

The FMLP receivable of the Group as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
Later than five years	-	-	-
	265	22	243

The FMLP receivable of the Group as of March 31, 2017 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
Later than five years	-	-	-
	322	42	279

The above lease arrangements are mainly pertaining to various network equipments.

25 Revenue

	For the year ended	
	March 31, 2018	March 31, 2017
Service revenue	833,019	951,213
Sale of products	3,860	3,470
	836,879	954,683

26 Network operating expenses

	For the year ended	
	March 31, 2018	March 31, 2017
Passive infrastructure charges	79,636	78,490
Power and fuel	69,082	72,946
Repair and maintenance	34,667	45,612
Internet, bandwidth and leasedline charges	9,932	7,785
Others*	4,203	4,321
	197,520	209,154

*It includes charges towards managed service, installation, insurance and security.

27 Employee benefits expenses

	For the year ended	
	March 31, 2018	March 31, 2017
Salaries	34,185	37,300
Contribution to provident and other funds	2,104	1,746
Staff welfare expenses	1,313	1,617
Defined benefit plan / other long term benefits	693	887
Employee share-based payment expense		
- Equity-settled plans	630	337
- Cash-settled plans	(36)	61
Others*	882	1,084
	39,771	43,032

*It includes recruitment and training expenses.

27.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Group:

Scheme	Plan	Vesting period (years)	Contractual term (years)
<u>Equity settled Plans</u>			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Airtel Payments Bank Limited ('APBL') Plan	APBL Plan	1 - 4	8
<u>Cash settled Plans</u>			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Number of share options (‘000)	Weighted average exercise price (Rs.)	Number of share options (‘000)	Weighted average exercise price (Rs.)
2006 Plan				
Outstanding at beginning of year	205	5.00	305	5.00
Granted	-	-	-	-
Exercised	(90)	5.00	(100)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	115	5.00	205	5.00
Exercisable at end of year	2	5.00	36	5.00
2008 Plan & AGP				
Outstanding at beginning of year	-	-	639	402.50
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(639)	402.50
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PSP 2009 Plan				
Outstanding at beginning of year	6	5.00	53	5.00
Granted	-	-	-	-
Exercised	(3)	5.00	(37)	5.00
Forfeited / expired	(3)	5.00	(10)	5.00
Outstanding at end of year	-	-	6	5.00
Exercisable at end of year	-	5.00	6	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	34	5.00	126	5.00
Granted	-	-	-	-
Exercised	(33)	5.00	(91)	5.00
Forfeited / expired	(1)	5.00	(1)	5.00
Outstanding at end of year	-	-	34	5.00
Exercisable at end of year	-	-	34	5.00
Infratel 2008 Plan				
Outstanding at beginning of year	158	109.67	732	109.67
Granted	-	-	-	-
Exercised	(49)	109.67	(564)	109.67
Forfeited / expired	(1)	109.67	(10)	109.67
Outstanding at end of year	108	109.67	158	109.67
Exercisable at end of year	108	109.67	158	109.67
LTI Plans				
Outstanding at beginning of year	2,002	5.00	1,709	5.00
Granted	1,571	-	820	-
Exercised	(406)	5.00	(308)	5.00
Forfeited / expired	(189)	5.00	(219)	5.00
Outstanding at end of year	2,978	5.00	2,002	5.00
Exercisable at end of year	567	5.00	358	5.00
Infratel LTI plans				
Outstanding at beginning of year	175	10.00	94	10.00
Granted	115	10.00	105	10.00
Exercised	(36)	10.00	(19)	10.00
Expired	-	-	-	-
Forfeited / expired	(15)	10.00	(5)	10.00
Outstanding at end of year	238	10.00	175	10.00
Exercisable at end of year	31	10.00	11	10.00
Airtel Payment Bank Limited Plan				
Outstanding at beginning of year	-	*	-	-
Granted	14,063	*	-	-
Exercised	-	*	-	-
Forfeited / expired	(3,359)	*	-	-
Outstanding at end of year	10,704	*	-	-
Exercisable at end of year	-	*	-	-
Performance Unit Plans				
Outstanding at beginning of year	2,369	-	5,231	-
Granted	690	-	366	-
Exercised	(1,336)	-	(1,442)	-
Expired	-	-	-	-
Forfeited / expired	(322)	-	(1,786)	-
Outstanding at end of year	1,401	-	2,369	-
Exercisable at end of year	23	-	25	-

*The exercise period is 3 years from vesting date or 1 year from IPO listing (whichever is later). Eligible employees will be able to exercise the option at a price of 50% of fair market value (determined at the end of

previous financial year) or INR 10 whichever, is higher. Employee can exercise the unexercised options within 3 months / 1 month from the date of retirement / resignation from the Group.

The fair value of options is measured using Black-Scholes / Binomial valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended	
	March 31, 2018	March 31, 2017
Risk free interest rates	6.17% to 7.18%	5.79% to 7.1%
Expected life	10 to 96 months	4 to 76 months
Volatility	25.91% to 40%	27.08% to 38.94%
Dividend yield	0.24% to 3.99%	0.39% to 1.83%

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

For details as to exercise price, refer table above.

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

Weighted average	For the year ended	
	March 31, 2018	March 31, 2017
Remaining contractual life for the options outstanding as of (years)	0.35 to 8.44	0.10 to 5.90
Fair value for the options granted during the year ended (Rs.)	4.36 to 409.76	304.34 to 338.50
Share price for the options exercised during the year ended (Rs.)	367.14 to 457.41	316.50 to 486.77

The carrying value of cash settled plans liability is Rs. 235 and Rs. 752 as of March 31, 2018 and March 31, 2017 respectively.

27.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	2,618	1,158	2,656	1,127
Current service cost	377	218	412	234
Interest cost	194	86	207	84
Benefits paid	(424)	(169)	(541)	(163)
Transfers	5	2	(189)	(79)
Remeasurements	(86)	(180)	73	(45)
Present value of funded obligation	2,684	1,115	2,618	1,158
Assets:				
Balance as at beginning of year	46	-	66	-
Interest income	3	-	5	-
Benefits paid	(32)	-	(25)	-
Remeasurements	(1)	-	(0)	-
Fair value of plan assets	16	-	46	-
Liability recognised in the balance sheet	2,668	1,115	2,572	1,158
Current portion	662	1,115	616	1,158
Non-current portion	2,006	-	1,956	-

The expected contribution for the year ended March 31, 2018 and 2017 for Gratuity plan is Rs. 588 and Rs. 583 respectively.

Amount recognised in other comprehensive income for the above plans

	For the year ended	
	March 31, 2018	March 31, 2017
Experience losses	18	41
Gains from change in demographic assumptions	26	(31)
Losses from change in financial assumptions	(130)	63
Remeasurements on liability	(86)	73
Return on plan assets, excluding interest income	(1)	(0)
Remeasurements on plan assets	(1)	(0)
Net remeasurements recognised in OCI	(85)	73

The above mentioned plan assets are entirely represented by funds invested with LIC.

Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2018	March 31, 2017
Discount rate	7.85%	7.40%
Rate of return on plan assets	7.85%	7.40%
Rate of salary increase	10.00%	10.00%
Rate of attrition	20% to 24%	21% to 29%
Retirement age	58	58

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of			
		March 31, 2018		March 31, 2017	
	Change in assumption	Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	(96)	(51)	(89)	(49)
	-1%	105	55	96	54
Salary Growth Rate	+1%	103	54	93	52
	-1%	(96)	(50)	(88)	(48)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	March 31, 2018	March 31, 2017
Within one year	678	662
Within one-three years	736	709
Within three-five years	456	413
above five years	814	834
	2,684	2,618
Weighted average duration (in years)	3.61	3.42

28 Sales and marketing expenses

	For the year ended	
	March 31, 2018	March 31, 2017
Sales commission and distribution	40,434	43,920
Advertisement and marketing	10,682	14,440
Business promotion	2,587	4,812
Other ancillary expenses	2,063	3,560
	55,766	66,732

29 Other expenses

	For the year ended	
	March 31, 2018	March 31, 2017
Content cost	21,067	21,507
Cost of good sold	9,994	9,073
IT expenses	7,771	10,012
Customer care expenses	6,797	7,357
Legal and professional fees	5,072	6,535
Provision for doubtful debts	9,007	7,635
Collection and recovery expenses	3,607	3,987
Travelling and conveyance	2,113	2,989
Bad debts written off	1,156	873
Charity and donation*	1,204	1,702
(Reversal of earlier provision) / provision for diminution in value of inventory	(282)	170
Others#	9,521	15,081
	77,027	86,921

*It includes Rs. 330 and Rs. 220 paid to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose for the year ended March 31, 2018 and 2017 respectively.

#It includes printing and stationary, security, rent and communication expenses etc.

30 Depreciation and amortisation

	For the year ended	
	March 31, 2018	March 31, 2017
Depreciation	132,963	142,585
Amortisation	59,468	55,145
	192,431	197,730

31 Finance costs and income

	For the year ended	
	March 31, 2018	March 31, 2017
Finance costs		
Interest expense	64,692	67,131
Net loss on derivative financial instruments	8,506	13,231
Net loss on FVTPL investments*	1,416	-
Net exchange loss	1,882	3,624
Other finance charges#	16,759	11,480
	93,255	95,466
Finance income		
Dividend from mutual funds	367	279
Interest income@	6,150	3,207
Net gains on FVTPL investments*	-	5,154
Net fair value gain on financial instruments (fair value hedges)	6,023	9,852
	12,540	18,492

*Net loss / gains on fair value changes on FVTPL investments includes loss / gains of Rs. 1,709 and Rs. 5,962 pertaining to investments sold during the year ended March 31, 2018 and 2017 respectively.

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters. Further, it includes Rs. 143 and Rs. 110 for the years ended March 31, 2018 and 2017 respectively, towards unwinding of discount on other financial liabilities (carried at amortised cost).

@It includes Rs. 43 and Rs. 46 towards unwinding of discount on security deposits (carried at amortised cost) and Rs. 415 and Rs. 309 from investment measured at FVTOCI for the years ended March 31, 2018 and 2017 respectively.

32 Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2018:

- a. Charge of Rs. 4,372 mainly towards operating costs on network re-farming and up-gradation program
- b. Net charge of Rs. 3,457 relating to the translation impact in Nigeria due to transition from the administered to market based exchange rate given the underlying economic changes and other developments
- c. Provision of Rs. 1,094 taken against one major delinquent receivable
- d. Charge of Rs. 3,535 due to levies and taxes pertaining to internal restructuring and litigation related assessment
- e. Gain of Rs. 4,527 mainly pertaining to one of the earlier divestments

(ii) For the year ended March 31, 2017:

- a. Net gain of Rs. 10,157 pertaining to the divestment of Group's operations in Burkina Faso and Sierra Leone, telecom towers in DRC and Niger and an African associate (viz. Tanzania Telecommunications Company Limited) (refer note 5 (l) and (n))
- b. Net charge of Rs. 6,881 due to settlement of past litigations, regulatory levies, vendor claims, reconciliation of balances, restructuring activities and tax related contingent liability
- c. Charge of Rs. 3,356 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program
- d. Charge of Rs. 3,258 resulting from reassessment of the useful life of certain categories of network assets of the Group due to technological advancements (refer note 3.1.c.)
- e. Net charge of Rs. 9,460 relating to the translation impact in Nigeria due to the new flexible exchange rate regime
- f. Net gain of Rs 1,641 (net of related expenses) pertaining to the divestment of stake in Bangladesh and charge of Rs. 540 due to share in the post-merger restructuring activities (refer note 5 (l) (i))

Tax expenses include:

- (a) Tax benefit of Rs. 2,305 and Rs. 5,163 during the year ended March 31, 2018 and 2017 respectively on above exceptional items
- (b) Tax benefit of Rs. 1,779 on account of re-assessment of tax provisions for previous periods during the year ended March 31, 2018
- (c) Tax benefit of Rs. 4,248 during the year ended March 31, 2017 on account of recognition of deferred tax on earlier business combination and re-assessment of tax provisions for previous periods

Profit / (loss) attributable to non-controlling interests include benefit of Rs. 878 and Rs. 2,147 during the year ended March 31, 2018 and 2017 respectively, relating to the above exceptional items.

33 Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	As of	
	March 31, 2018	March 31, 2017
	In thousands	
Weighted average shares outstanding for basic EPS	3,996,067	3,995,817
Effect of dilution due to employee share options	1,721	1,359
Weighted average shares outstanding for diluted EPS	3,997,788	3,997,176

Profit attributable to equity holders for basic and diluted EPS is Rs. 10,990 and Rs. 37,998 for the year ended March 31, 2018 and 2017 respectively.

34 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 and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, PPE, CWIP, intangibles assets, intangible assets under development, inventories, cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development and capital advances.

The 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.

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 provided through wireless technology (2G / 3G / 4G) offered to customers in Africa. This also includes corporate headquarter costs of the Group's Africa operations.

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: These services include setting up, operating and maintaining wireless communication towers in India.

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology.

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

Others: It includes administrative and support services provided to other segments and also include Airtel payment bank operations.

Unallocated items include expenses / results, assets and liabilities primarily of corporate headquarters of the Group, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.



Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	441,295	196,565	3,783	98,244	33,221	25,056	37,505	1,199	-	11	836,879
Inter-segment revenue	21,344	4,999	262	14,974	33,063	209	65	2,810	-	(77,726)	-
Total revenue	462,639	201,564	4,045	113,218	66,284	25,265	37,570	4,009	-	(77,715)	836,879
Share of results of joint ventures and associates	6	(905)	(282)	-	13,025	3	-	(29)	-	(1,209)	10,609
Segment results	20,835	34,758	(1,550)	31,044	33,477	4,720	5,306	(2,706)	(1,678)	(2,749)	121,457
Less:											
Finance costs											93,255
Finance income											(12,540)
Non-operating expenses, (net)											141
Exceptional items (refer note 32)											7,931
Profit before tax											32,670
Other segment items											
Capital expenditure	198,280	29,954	2,066	12,675	11,307	11,129	10,277	267	6,257	(7,498)	274,714
Depreciation and amortisation	129,545	30,672	1,276	11,179	11,801	7,057	8,915	55	1	(8,070)	192,431
As of March 31, 2018											
Segment assets*	1,515,169	516,476	28,459	153,051	199,273	44,251	26,120	11,082	88,578	(76,643)	2,505,816
Segment liabilities*	317,043	115,149	2,622	76,284	22,400	19,866	33,964	8,312	1,210,172	(83,479)	1,722,333
Investment in joint ventures and associates (included in segment assets above)	57	6,769	21,620	-	58,110	3	-	280	-	-	86,839

*Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.



Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	543,901	214,093	11,198	94,855	28,384	27,223	34,240	718	-	71	954,683
Inter-segment revenue	21,610	5,475	545	14,574	32,445	295	66	3,018	-	(78,028)	-
Total revenue	565,511	219,568	11,743	109,429	60,829	27,518	34,306	3,736	-	(77,957)	954,683
Share of results of joint ventures and associates	9	-	(642)	-	11,949	-	-	-	-	(867)	10,449
Segment results	105,494	10,189	(4,660)	22,737	29,195	6,868	3,577	(2,481)	(1,433)	(2,263)	167,223
Less:											
Finance costs											95,466
Finance income											(18,492)
Non-operating income, (net)											1,319
Exceptional items (refer Note 32)											11,697
Profit before tax											77,233
Other segment items											
Capital expenditure	380,011	25,235	1,801	17,142	9,829	19,649	8,608	19	1,597	(21,204)	442,687
Depreciation and amortisation	121,189	41,894	4,256	11,024	11,658	6,080	8,642	49	0	(7,062)	197,730
As of March 31, 2017											
Segment assets	1,642,949	556,281	29,048	331,833	210,023	311,890	22,935	9,327	120,032	(901,666)	2,332,652
Segment liabilities	722,363	226,314	7,968	180,624	47,535	246,864	28,341	5,083	1,044,215	(919,968)	1,589,339
Investment in joint ventures and associates (included in segment assets above)	52	-	22,567	-	59,409	-	-	249	-	-	82,277

Geographical information*:

(a) Revenue from external customers:

	For the year ended	
	March 31, 2018	March 31, 2017
India	619,000	708,462
Africa	196,565	214,093
Others	21,314	32,128
	836,879	954,683

(b) Non-current assets:

	As of	
	March 31, 2018	March 31, 2017
India	1,503,452	1,411,798
Africa	448,314	466,775
Others	18,897	15,123
	1,970,663	1,893,696

*Basis location of entity

Non-current operating assets for this purpose consist of PPE, CWIP, intangible assets, intangible assets under development and capital advances.

35 Related party disclosures**(a) List of related parties****i. Ultimate controlling entity (w.e.f. November 3, 2017)**

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

ii. Entity having control over the Company (w.e.f. November 3, 2017)*

Bharti Telecom Limited

*significant influence until November 2, 2017

iii. For list of subsidiaries, joint venture and associates refer note no. 39.**iv. Other entities with whom transactions have taken place during the reporting periods****- Entities having significant influence over the Company**

Singapore Telecommunications Limited
Pastel Limited

- Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)

a) Subsidiaries

Bharti Enterprises Limited

Cedar support Services Limited

Bharti Insurance Holdings Private Limited

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

b) Associates

Bharti Life Ventures Private Limited

Bharti General Private Limited

- Others related parties*

a) Entities where Key Management Personnel and their relatives exercise significant influence

Bharti Foundation

Bharti Airtel Employees Welfare Trust

Hike Private Limited (formerly known as Hike Limited)

b) Others

Brightstar Telecommunication India Limited

Bharti Realty Holdings Limited

Bharti Realty Limited

Deber Technologies Private Limited

Hike Messenger Limited

Centum Learning Limited

Fieldfresh Foods Private Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Nile Tech Limited

Bharti Support Services Private Limited (formerly known as Atrium Restaurants India Private Limited)

Bharti Land Limited

Centum Work skills India Limited

Oak Infrastructure Developers Limited

Gourmet Investments Private Limited

* **'Other related parties'** though not 'Related Parties' as per the definition under Ind AS 24, Related party disclosures have been included by way of a voluntary disclosure, following the best corporate governance practices.

v. Key Management Personnel ('KMP')

Sunil Bharti Mittal

Gopal Vittal

Christian D. Faria (until December 31, 2016)

Raghunath Mandava (w.e.f. January 1, 2017)

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In the ordinary course of business, there are certain transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The significant transactions with balance related parties for the years ended March 31, 2018 and 2017 respectively, are described below:

(b) The summary of significant transactions with the above mentioned parties is as follows:

Relationship	For the year ended							
	March 31, 2018				March 31, 2017			
	Significant influence entities	Associates	Joint ventures	ORP / FC*	Significant influence entities	Associates	Joint ventures	ORP / FS
Purchase of assets	-	-	-	(2,761)	-	-	-	(3,329)
Sale / rendering of services	1,022	-	44	343	1,433	6	77	294
Purchase of goods / receiving of services	(217)	(50)	(39,977)	(3,504)	(496)	(9)	(42,385)	(3,220)
Reimbursement of energy expenses	-	-	(26,869)	-	-	-	(26,090)	(3)
Dividend paid	(9,777)	-	-	(496)	(3,255)	-	-	(362)
Dividend received	-	-	10,010	-	-	-	9,510	-

*Other related parties / fellow companies

(c) The outstanding balances of the above mentioned related parties are as follows:

	Significant influence entities	Associates	Joint ventures	ORP / FC*
As of March 31, 2018				
Trade payables	(117)	(31)	(11,193)	(139)
Trade receivables	-	-	-	102
Security deposit	-	-	3,934	1,070
As of March 31, 2017				
Trade payables	(490)	(4)	(11,310)	(532)
Trade receivables	129	-	1	216
Security deposit	-	-	3,903	1,050

*Other related parties / fellow companies

- (1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.
- (2) In addition to the above, Rs. 410 and Rs. 1,227 donation has been given to Bharti Foundation during the year ended March 31, 2018 and 2017 respectively.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2018	March 31, 2017
Short-term employee benefits	317	305
Performance linked incentive ('PLI')#	160	168
Post-employment benefits	28	26
Share-based payment	62	62
	567	561

#Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of Rs. 21 and Rs. 28 has been recorded in the books towards PLI for the year ended March 31, 2018 and 2017 respectively. During the year ended March 31, 2018, PLI of Rs. 164 (March 31, 2017: Rs. 150) pertaining to previous year has been paid.

In addition to above, Rs. 1,122 thousand and Rs. 313 thousand for the year ended March 31, 2018 and 2017 respectively have been paid as dividend to key management personnel.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

36 Financial and Capital risk

1. Financial risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The Group policy requires for material items to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Group uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange

risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 20. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 11.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

i. Cash flow hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	7,377	399	131	-
Carrying value of derivative instruments (liabilities)	-	60	908	620
Change in fair value during the year				
Hedged item	(6,928)	(677)	3,534	1,141
Hedging instrument	6,928	677	(3,534)	(1,141)
CFHR for continuing Hedge	410	533	214	(82)
Hedging gain / (loss) recognised during the year	6,928	677	(3,534)	(1,141)
(Loss) / Gain reclassification during the year to P&L	(6,732)	(62)	4,079	1,453

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ii. Net investment hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 460 Mn	USD 1453 Mn	Euro 400 Mn	USD 1578 Mn
Carrying value of hedging instruments (borrowings)	36,870	94,721	27,738	102,308
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - September 2026
Change in fair value during the year				
Hedged item	4,231	3,793	(2,232)	12,562
Hedging instrument	(4,231)	(3,793)	2,232	(12,562)
FCTR (loss) / gain for continuing Hedge (net of tax and NCI)	(5,109)	(15,869)	(878)	(12,596)
Hedging gain/ (loss) recognised during the year	(4,231)	(3,793)	2,232	(12,562)
Loss reclassification during the year to P&L under exceptional items	-	-	581	-

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
US Dollar	+5%	(8,823)	(8,796)
	-5%	8,823	8,796
Euro	+5%	(1,712)	(1,844)
	-5%	1,712	1,844
Others	+5%	1	-
	-5%	(1)	-
For the year ended March 31, 2017			
US Dollar	+5%	(8,955)	(8,375)
	-5%	8,955	8,375
Euro	+5%	(1,716)	(1,387)
	-5%	1,716	1,387
Others	+5%	(26)	-
	-5%	26	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2018		March 31, 2017	
	USD	Euro	USD	Euro
Interest rate risk covered for currency				
Nominal amount of Hedging instruments	USD 2900 Mn	-	USD 2900 Mn	-
Carrying value of hedging instruments (derivative assets)	19	-	1,568	-
Carrying value of hedging instruments (derivative liabilities)	4,258	-	851	-
Maturity date	March 2023		March 2023	
	- June 2025	-	- June 2025	-
Carrying value of hedged item (borrowings)	189,008	-	188,065	-
Change in fair value during the year				
Hedged item	5,802	-	9,768	-
Hedging instrument	(5,025)	-	(11,118)	-
Hedge ineffectiveness recognised in finance income/cost during the year	777	-	(1,349)	-
Cumulative change in fair value of hedged Item	6,366	-	476	-
Unamortised portion of fair value hedge adjustment	-	(175)	-	(396)

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
For the year ended March 31, 2018		
INR - borrowings	+100	(1,063)
	-100	1,063
USD -borrowings	+25	(654)
	-25	654
Other currency -borrowings	+100	(42)
	-100	42
For the year ended March 31, 2017		
INR - borrowings	+100	(866)
	-100	866
USD -borrowings	+25	(657)
	-25	657
Other currency -borrowings	+100	(49)
	-100	49

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD, Euro and NGN (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by

the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by Rs. 176 and Rs. 808 as on March 31, 2018 and March 31, 2017 respectively.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

Trade receivables

The Trade receivables of the Group are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Group, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2018	21,182	17,294	7,835	6,201	6,318	58,830
March 31, 2017	17,115	11,653	6,612	5,966	6,056	47,402

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Financial instruments and cash deposits

The Group's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to

ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the borrowings, refer note 20.

Based on past performance and current expectations, the Group believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

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

As of March 31, 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years
Interest bearing borrowings*#	1,141,676	19,419	152,197	176,076	126,576	1,231,162
Other financial liabilities#	156,811	4,874	108,656	-	161	43,120
Trade payables	277,675	-	277,675	-	-	-
Financial liabilities (excluding derivatives)	1,576,162	24,293	538,528	176,076	126,737	1,274,282
Derivative assets	10,972	-	1,333	7,608	968	1,063
Derivative liabilities	(5,692)	-	(117)	(168)	(203)	(5,204)
Net derivatives	5,280	-	1,216	7,440	765	(4,141)

As of March 31, 2017						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years
Interest bearing borrowings*#	1,078,384	22,697	135,951	50,646	176,532	1,100,524
Other financial liabilities#	100,386	4,148	80,557	-	540	15,141
Trade payables	268,537	-	268,537	-	-	-
Financial liabilities (excluding derivatives)	1,447,307	26,845	485,045	50,646	177,072	1,115,665
Derivative assets	6,792	-	1,010	1,050	1,743	2,989
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)
Net derivatives	1,731	-	(982)	707	651	1,355

*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flows line item	April 1, 2017	Cash flows	Non-cash movements					March 31, 2018
				Interest expense	Foreign exchange	Fair value changes	FCTR	Others	
Borrowings*	Proceeds / repayments of borrowings (including short-term)	610,282	36,141	-	11,480	-	883	1,420	660,206
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	5,633	(44,041)	29,470	-	8,506	2,588	20,905	23,061

*It does not include deferred payment liabilities, finance lease obligations and bank overdraft but include obligations towards Africa tower sale and lease back transaction.

2. Capital risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

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

The Group monitors capital using a gearing ratio calculated as below:

	As of	
	March 31, 2018	March 31, 2017
Borrowings	1,113,335	1,072,877
Less: cash and cash equivalents	47,886	12,817
Less: term deposits with bank	2,119	3,360
Net debt	1,063,330	1,056,700
Equity	695,344	674,563
Total capital	695,344	674,563
Capital and net debt	1,758,674	1,731,263
Gearing ratio	60.5%	61.0%

37 Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

		Carrying value as of		Fair value as of	
	Level	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	8,541	814	8,541	814
- Interest swaps	Level 2	2,101	4,963	2,101	4,963
- Embedded derivatives	Level 2	330	1,005	330	1,005
- Embedded derivatives	Level 3	-	10	-	10
Investments-quoted	Level 1	65,460	52,402	65,460	52,402
Investments-unquoted	Level 2	2,992	4,389	2,992	4,389
FVTOCI					
Investments-quoted	Level 1	2,391	2,609	2,391	2,609
Investments-unquoted	Level 2	3,904	1,711	3,904	1,711
Amortised cost					
Security deposits	Level 2	9,703	9,630	9,703	9,630
Trade receivables	Level 2	58,830	47,402	58,830	47,402
Cash and cash equivalents	Level 1	47,886	12,817	47,886	12,817
Bank deposits	Level 1	18,820	38,166	18,820	38,166
Other financial assets	Level 2	33,276	36,390	33,276	36,390
		254,234	212,308	254,234	212,308
Financial liabilities					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	474	3,412	474	3,412
- Interest rate swaps	Level 2	5,210	880	5,210	880
- Embedded derivatives	Level 2	8	571	8	571
- Embedded derivatives	Level 3	-	198	-	198
Amortised cost					
Borrowings - fixed rate	Level 1	414,407	368,913	427,293	386,739
Borrowings - fixed rate	Level 2	512,404	526,542	555,413	562,306
Borrowings - floating rate	Level 2	186,525	178,826	186,525	178,826
Trade payables	Level 2	277,675	268,537	277,675	268,537
Other financial liabilities	Level 2	185,152	105,893	185,152	105,893
		1,581,855	1,453,772	1,637,750	1,507,362

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

- i. The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the key input in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2018 and March 31, 2017:

Financial assets / liabilities	Inputs used
- Currency swaps, forward and option contracts	Forward currency exchange rates, Interest rates
- Interest swaps	Prevailing / forward interest rates in market, Interest rates
- Embedded derivatives	Forward currency exchange rates, Interest rates
- Investments	Prevailing interest rates in market, Interest rates
- Other financial assets / fixed rate borrowings / other financial liabilities	Prevailing interest rates in market, Future payouts, Interest rates

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	(188)	51
Gain recognised in consolidated statement of profit and loss (including settlements)		
-Recognised in finance costs / finance income*	276	(215)
Transferred on account of sale of subsidiary	-	(22)
Exchange difference recognised in OCI	(88)	(2)
Closing balance	-	(188)

*Out of these gains / (losses), Nil and loss of Rs. 213 year ended March 31, 2018 and 2017 respectively relates to assets/liabilities held at the end of respective periods.

Valuation process, techniques and inputs used: The Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and results in an embedded derivative. The significant inputs to the valuation model of these embedded derivatives are future revenue projections and foreign exchange forward rates over the contract period. The revenue projections, being based on the rolling ten year financial plan approved by management, constitute a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group either engages external, independent and qualified valuers or internally values the embedded derivative categorised within level 3. Discounted cash flow model is used to value the embedded derivative wherein major inputs are expected future payouts to vendors, forward foreign currency exchange rates and relevant interest rates. The value of embedded derivative is the present value of the differential of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract.

Sensitivity to changes in unobservable inputs: The fair value of embedded derivative is directly proportional to the expected future payouts to vendor (considered for the purpose of valuation of the embedded derivative). If future payouts to vendor were to increase / decrease by 5% with all the other variables held constant, the fair value of embedded derivative would increase / decrease by 5%. Expected future payouts to vendor ranging from Nil and USD 12 to USD 17 per quarter as of March 31, 2018 and March 31, 2017 respectively.

38 Other matters

- (i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of Rs. 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing. The Hon'ble court has directed both the parties to file comprehensive written submission.

- (ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

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39 Additional information as required under Schedule III of the Companies Act, 2013**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income.**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Parent								
	- Telecommunication services								
1	Bharti Airtel Limited	100%	India	131.29%	1,028,609	7.21%	792	-34.58%	849
	Subsidiaries								
	A. Indian								
	- Telecommunication services								
1	Bharti Hexacom Limited	70%	India	8.28%	64,893	-10.18%	(1,119)	45.51%	(1,117)
2	Nxta Data Limited	100%	India	0.02%	183	2.14%	235	-9.65%	237
3	Smartx Services Limited	53.54% ^	India	0.00%	19	0.03%	3	-0.12%	3
4	Telesonic Networks Limited	100%	India	0.08%	617	2.13%	234	-9.05%	222
5	Wynk Limited	100%	India	0.07%	551	1.29%	141	-5.76%	141
6	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited; subsidiary w.e.f. August 24, 2017)	100%	India	-1.76%	(13,808)	-1.44%	(158)	6.44%	(158)
	- Direct To Home services								
1	Bharti Telemedia Limited	95%	India	-3.19%	(24,995)	25.74%	2,829	-115.36%	2,832
	- Infrastructure sharing services								
1	Bharti Infratel Limited	53.54% ^	India	14.23%	111,515	119.36%	13,118	-535.32%	13,142
	- Investment Company								
1	Nettle Infrastructure Investments Limited	100%	India	-2.19%	(17,145)	7.61%	837	-355.57%	8,729
	- Mobile commerce services								
1	Airtel Payments Bank Limited	80.10%	India	0.29%	2,306	-24.81%	(2,726)	111.05%	(2,726)
	- Other								
1	Bharti Airtel Services Limited	100%	India	-0.04%	(312)	6.26%	688	-28.32%	695
	- Uplinking channels for broadcasters								
1	Indo Teleports Limited	100% ^^	India	-0.07%	(560)	-1.01%	(111)	4.54%	(111)
	B. Foreign								
	- Direct To Home services								
1	Airtel DTH Services Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
	- Infrastructure sharing services								
1	Africa Towers Services Limited ##	100%	Kenya	0.00%	1	0.00%	0	-0.02%	0
2	Bangladesh Infratel Networks Limited #	100%	Bangladesh	-	-	-	-	-	-
3	Bharti Infratel Lanka (Private) Limited #	100%	Sri Lanka	-	-	-	-	-	-
4	Congo RDC Towers S.A.	100%	Democratic Republic of Congo	-0.07%	(565)	-2.74%	(301)	12.25%	(301)
5	Gabon Towers S.A. ##	90%	Gabon	0.00%	(1)	0.02%	2	-0.10%	2
6	Madagascar Towers S.A.	100%	Madagascar	0.04%	320	0.71%	78	-3.20%	78
7	Malawi Towers Limited	100%	Malawi	-0.25%	(1,920)	-4.45%	(489)	19.92%	(489)
8	Tanzania Towers Limited	60%	Tanzania	0.00%	(31)	0.00%	(0)	0.01%	(0)
9	Towers Support Nigeria Limited #	83.25%	Nigeria	-	-	0.01%	1	-0.02%	1
	- Investment Company								
1	Africa Towers N.V.	100%	Netherlands	-0.06%	(445)	-0.45%	(49)	2.01%	(49)
2	Airtel Mobile Commerce B.V.	100%	Netherlands	-0.01%	(77)	-0.09%	(10)	0.40%	(10)
3	Airtel Mobile Commerce Holdings B.V.	100%	Netherlands	0.00%	1	-	-	-	-
4	Bharti Airtel Africa B.V.	100%	Netherlands	11.20%	87,717	18.95%	2,083	-84.84%	2,083
5	Bharti Airtel Burkina Faso Holdings B.V.	100%	Netherlands	5.81%	45,513	0.00%	(0)	0.00%	(0)
6	Bharti Airtel Chad Holdings B.V.	100%	Netherlands	-0.06%	(462)	-3.09%	(340)	13.83%	(340)
7	Bharti Airtel Congo Holdings B.V.	100%	Netherlands	0.79%	6,171	0.84%	92	-3.74%	92
8	Bharti Airtel Developers Forum Limited	96.36%	Zambia	-	-	-	-	-	-
9	Bharti Airtel DTH Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
10	Bharti Airtel Gabon Holdings B.V.	100%	Netherlands	1.09%	8,574	0.46%	50	-2.04%	50
11	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	100%	Netherlands	-	-	-8.93%	(981)	39.97%	(981)
12	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.97%	15,449	1.76%	193	-9.77%	240
13	Bharti Airtel International (Netherlands) B.V.	100%	Netherlands	24.65%	193,134	-171.27%	(18,823)	766.73%	(18,823)
14	Bharti Airtel Kenya B.V.	100%	Netherlands	-1.80%	(14,087)	-15.88%	(1,745)	71.09%	(1,745)

S. No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
15	Bharti Airtel Kenya Holdings B.V.	100%	Netherlands	-0.34%	(2,671)	-0.86%	(95)	3.86%	(95)
16	Bharti Airtel Madagascar Holdings B.V.	100%	Netherlands	-0.31%	(2,421)	-2.19%	(240)	9.78%	(240)
17	Bharti Airtel Malawi Holdings B.V.	100%	Netherlands	0.05%	410	0.69%	76	-3.09%	76
18	Bharti Airtel Mali Holdings B.V.	100%	Netherlands	0.01%	100	-0.14%	(16)	0.64%	(16)
19	Bharti Airtel Niger Holdings B.V.	100%	Netherlands	1.47%	11,555	14.00%	1,539	-62.68%	1,539
20	Bharti Airtel Nigeria B.V.	100%	Netherlands	-7.78%	(60,964)	-40.46%	(4,446)	181.11%	(4,446)
21	Bharti Airtel Nigeria Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
22	Bharti Airtel Nigeria Holdings II B.V.	100%	Netherlands	-0.01%	(107)	0.09%	10	-0.42%	10
23	Bharti Airtel RDC Holdings B.V.	100%	Netherlands	0.23%	1,780	-17.73%	(1,949)	79.38%	(1,949)
24	Bharti Airtel Rwanda Holdings Limited	100%	Mauritius	0.02%	187	-0.02%	(2)	0.09%	(2)
25	Bharti Airtel Services B.V.	100%	Netherlands	-0.06%	(443)	-0.48%	(53)	2.16%	(53)
26	Bharti Airtel Tanzania B.V.	100%	Netherlands	-0.60%	(4,697)	-8.15%	(896)	36.48%	(896)
27	Bharti Airtel Uganda Holdings B.V.	100%	Netherlands	-1.26%	(9,900)	-33.71%	(3,705)	150.92%	(3,705)
28	Bharti Airtel Zambia Holdings B.V.	100%	Netherlands	3.81%	29,834	25.14%	2,763	-112.55%	2,763
29	Celtel (Mauritius) Holdings Limited	100%	Mauritius	0.30%	2,346	-1.36%	(150)	6.09%	(150)
30	Channel Sea Management Company (Mauritius) Limited	100%	Mauritius	0.00%	33	-0.01%	(1)	0.06%	(1)
31	Indian Ocean Telecom Limited	100%	Jersey	0.10%	798	-0.03%	(3)	0.14%	(3)
32	Montana International	100%	Mauritius	0.00%	(14)	-0.01%	(1)	0.04%	(1)
33	MSI-Celtel Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
34	Partnership Investments Sprl	100%	Democratic Republic of Congo	-	-	-	-	-	-
35	Société Malgache de Téléphone Cellulaire S.A.	100%	Mauritius	0.02%	121	-0.02%	(2)	0.07%	(2)
36	Bharti Airtel International (Mauritius) Investments Limited (incorporated on March 26, 2018)	100%	Mauritius	0.00%	(1)	-0.01%	(1)	0.02%	(1)
- Mobile commerce services									
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-	-	-	-
2	Airtel Mobile Commerce (Kenya) Limited	100%	Kenya	0.00%	0	-	-	-	-
3	Airtel Mobile Commerce (Seychelles) Limited	100%	Seychelles	0.00%	(29)	-0.01%	(1)	0.06%	(1)
4	Airtel Mobile Commerce (Tanzania) Limited	100%	Tanzania	0.00%	0	-	-	-	-
5	Airtel Mobile Commerce Limited	100%	Malawi	0.00%	0	0.00%	-	0.00%	-
6	Airtel Mobile Commerce Madagascar S.A.	100%	Madagascar	-0.06%	(499)	-0.14%	(15)	0.61%	(15)
7	Airtel Mobile Commerce Rwanda Limited	100%	Rwanda	0.00%	1	-	-	-	-
8	Airtel Mobile Commerce Tchad S.a.r.l.	100%	Chad	0.00%	0	-	-	-	-
9	Airtel Mobile Commerce Uganda Limited	100%	Uganda	0.00%	0	-	-	-	-
10	Airtel Mobile Commerce Zambia Limited	100%	Zambia	-0.07%	(551)	-0.02%	(3)	0.11%	(3)
11	Airtel Money (RDC) S.A.	100%	Democratic Republic of Congo	0.02%	168	1.23%	135	-5.50%	135
12	Airtel Money Niger S.A.	90%	Niger	-	-	-	-	-	-
13	Airtel Money S.A. (Gabon)	100%	Gabon	0.04%	335	3.14%	345	-14.06%	345
14	Airtel Money Transfer Limited	100%	Kenya	-	-	-	-	-	-
15	Mobile Commerce Congo S.A.	100%	Congo Brazzaville	0.00%	1	-	-	-	-
16	Zap Trust Company Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
17	Airtel Money Tanzania Limited	60.04%	Tanzania	0.00%	(1)	-0.01%	(1)	0.03%	(1)
18	Airtel Mobile Commerce Nigeria Limited (incorporated on August 31, 2017)	83.25%	Nigeria	-	-	-	-	-	-
- Submarine Cable System									
1	Network i2i Limited	100%	Mauritius	13.90%	108,870	25.71%	2,826	-115.11%	2,826
- Telecommunication services									
1	Airtel (Seychelles) Limited	100%	Seychelles	0.10%	793	2.20%	242	-9.85%	242
2	Airtel Congo (RDC) S.A.	98.50%	Democratic Republic of Congo	-7.11%	(55,695)	-27.37%	(3,008)	122.51%	(3,008)
3	Airtel Congo S.A.	90%	Congo Brazzaville	-1.14%	(8,898)	11.36%	1,248	-50.85%	1,248
4	Airtel Gabon S.A.	90%	Gabon	-0.69%	(5,431)	29.75%	3,270	-133.18%	3,270
5	Airtel Ghana Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-5.05%	(555)	22.61%	(555)
6	Airtel Madagascar S.A.	100%	Madagascar	-0.84%	(6,555)	-9.12%	(1,002)	40.83%	(1,002)
7	Airtel Malawi Limited	100%	Malawi	0.24%	1,902	14.82%	1,629	-66.36%	1,629
8	Airtel Networks Kenya Limited @	100%	Kenya	-3.33%	(26,094)	-17.80%	(1,956)	79.67%	(1,956)

S.No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
9	Airtel Networks Limited	83.25%	Nigeria	-2.07%	(16,195)	-22.95%	(2,522)	102.73%	(2,522)
10	Airtel Rwanda Limited	100%	Rwanda	-1.56%	(12,234)	-16.86%	(1,853)	75.47%	(1,853)
11	Airtel Tanzania Public Limited Company (Formerly known as Airtel Tanzania Limited)	60%	Tanzania	-3.44%	(26,931)	-14.58%	(1,602)	65.27%	(1,602)
12	Airtel Tchad S.A.	100%	Chad	-0.65%	(5,124)	13.82%	1,519	-61.87%	1,519
13	Airtel Uganda Limited	100%	Uganda	0.11%	859	41.78%	4,591	-187.03%	4,591
14	Bharti Airtel (France) SAS	100%	France	0.04%	340	1.51%	166	-6.78%	166
15	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	14	1.23%	135	-5.50%	135
16	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	6	0.01%	1	-0.05%	1
17	Bharti Airtel (UK) Limited	100%	United Kingdom	0.07%	543	0.58%	63	-2.63%	64
18	Bharti Airtel (USA) Limited	100%	United States of America	0.09%	674	1.97%	217	-8.83%	217
19	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.17%	1,295	-18.14%	(1,993)	81.20%	(1,993)
20	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	2.08%	16,298	4.77%	525	-21.37%	525
21	Celtel Niger S.A.	90%	Niger	0.40%	3,168	20.69%	2,274	-92.64%	2,274
22	Airtel Networks Zambia Plc	96.36%	Zambia	0.22%	1,717	29.69%	3,263	-132.93%	3,263
23	Tigo Rwanda Limited (Subsidiary w.e.f. January 31, 2018)	100%	Rwanda	-0.16%	(1,276)	-0.83%	(92)	3.73%	(92)
	Minority Interests in all subsidiaries			11.25%	88,139	-98.67%	(10,845)	411.19%	(10,095)
	Associates (Investment as per the equity method)								
	A. Indian								
	- Financial Services								
1	Seynse Technologies Private Limited	22.54%	India	0.03%	222	-0.25%	(27)	1.12%	(27)
	- Others								
1	Juggernaut Books Private Limited (acquired on November 29, 2017)	10.71%	India	0.01%	58	-0.02%	(2)	0.08%	(2)
	B. Foreign								
	- Submarine cable system								
1	Seychelles Cable Systems Company Limited	26%	Seychelles	0.03%	226	1.87%	205	-8.37%	205
	- Telecommunication services								
1	Robi Axiata Limited	25%	Bangladesh	2.76%	21,620	-2.57%	(282)	10.72%	(263)
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited	22.49% ^{AAA}	India	7.42%	58,110	107.51%	11,816	-481.35%	11,817
	- Telecommunication services								
1	FireFly Networks Limited	50%	India	0.00%	3	0.03%	3	-0.13%	3
	B. Foreign								
	- Provision of regional mobile services								
1	Bridge Mobile Pte Limited	10%	Singapore	0.01%	58	0.06%	6	-0.26%	6
	- Investment Company								
1	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	50%	Netherlands	0.48%	3,756	-	-	-	-
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	49.95%	Ghana	-0.02%	(145)	-0.61%	(67)	2.74%	(67)
2	Mobile Financial Services Limited (Refer note 5 (c))	50%	Ghana	0.01%	54	-0.02%	(3)	0.11%	(3)
	- Telecommunication services								
1	Airtel Ghana Limited (Refer note 5 (c))	49.95%	Ghana	-0.17%	(1,362)	-2.83%	(311)	12.66%	(311)
2	Millicom Ghana Company Limited (Refer note 5 (c))	49.95%	Ghana	-0.12%	(952)	-1.96%	(216)	8.79%	(216)
	Inter-company eliminations / adjustments on consolidation				(814,885)		15,515		(6,723)
	Total			100%	783,483	100%	10,990	100%	(2,455)

Table 2 - Details pertaining to share in other comprehensive income.

S. No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018 Share in other comprehensive income ('OCI')	
				As % of OCI	Amount
	Parent				
1	Telecommunication services Bharti Airtel Limited	100%	India	-0.42%	57
	Subsidiaries				
	- Indian				
	- Telecommunication services				
1	Bharti Hexacom Limited	70%	India	-0.01%	2
2	Nextra Data Limited	100%	India	-0.01%	2
3	Telesonic Networks Limited	100%	India	0.09%	(12)
4	Wynk Limited	100%	India	0.00%	(0)
	- Direct To Home services				
1	Bharti Telemedia Limited	95%	India	-0.02%	3
	- Infrastructure sharing services				
1	Bharti Infratel Limited	53.54% ^	India	-0.18%	24
	- Investment Company				
1	Nettle Infrastructure Investments Limited	100%	India	-58.70%	7,892
	- Other				
1	Bharti Airtel Services Limited	100%	India	-0.05%	7
	- Foreign				
	- Telecommunication services				
1	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	0
2	Bharti Airtel (UK) Limited	100%	United Kingdom	-0.01%	1
3	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	(0)
	- Investment Company				
1	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	-0.35%	47
	Minority Interests in all subsidiaries			-5.58%	750
	Associates (Investment as per the equity method)				
	A. Foreign				
	- Telecommunication services				
1	Robi Axiata Limited	25%	Bangladesh	-0.14%	19
	Joint Ventures (Investment as per the equity method)				
	A. Indian				
	- Passive infrastructure services				
1	Indus Towers Limited	22.49% ^^^	India	-0.01%	1
	Inter-company eliminations / adjustments on consolidation				(22,238)
	Total			100%	(13,445)

Notes:**1 - Changes in shareholding during the year ended March 31, 2018:**

^ The Company has reduced its shareholding to 53.55% (61.68% in March 31, 2017) during the year ended March 31, 2018.

^^ The Company has increased its shareholding to 100% (95% in March 31, 2017) during the year ended March 31, 2018.

^^^ The Company has reduced its shareholding to 22.49% (25.91% in March 31, 2017) during the year ended March 31, 2018.

2 - Others

Liquidated during the year ended March 31, 2018

Under liquidation

@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights. The figures which are appearing as '0' are result of rounding off.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF BHARTI AIRTEL LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying Interim Condensed Consolidated Financial Statements of **Bharti Airtel Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the Interim Condensed Consolidated Balance Sheet as at December 31, 2018, the Interim Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months and nine months ended on that date, the Interim Condensed Consolidated Statement of Changes in Equity and the Interim Condensed Consolidated Statement of Cash Flows for the nine months ended on that date and a summary of selected explanatory notes (hereinafter referred to as "the Interim Condensed Consolidated Financial Statements").

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 auditor on separate financial statements of the joint venture referred to below in the Other Matter paragraph, the aforesaid Interim Condensed Consolidated Financial Statements give a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at December 31, 2018, their consolidated profit, consolidated total comprehensive income for the three months and their consolidated profit, consolidated total comprehensive loss for the nine months ended on that date, consolidated changes in equity and consolidated cash flows and for the nine months ended on that date.

Basis for Opinion

We conducted our audit of the Interim Condensed Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidences obtained by the other auditor in terms of their report referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Interim Condensed Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note 9(i)(b) to the Interim Condensed Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Responsibilities of the Management and Those Charged with Governance for the

Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity, consolidated cash flows of the Group, its associates and joint ventures in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Condensed Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Interim Consolidated Financial Statements by the Board of Directors of the Company, as aforesaid.

In preparing the Interim Condensed Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Interim Condensed Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Interim Condensed Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Interim Condensed Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit 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 internal financial control of the Group, its associates and joint ventures.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Interim Condensed Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Condensed Consolidated Financial Statements, including the disclosures, and whether the Interim Condensed Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the Interim Condensed Consolidated Financial Statement of which we are the independent auditors. For the other entities included in the Interim Condensed Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the Interim Condensed Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Interim Condensed Consolidated Financial Statements include the Group's share of profit of ₹2,010 Million and ₹ 6,309 Million and total comprehensive income of ₹ 2,009 Million and ₹ 6,306 Million for the three months and nine months ended December 31, 2018 respectively, as considered in the Interim Condensed Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. The financial statements and other financial information have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor.

Our opinion on the Interim Condensed Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R Tata
Partner
(Membership No.38320)

Place: New Delhi
Date: January 31, 2019

Interim Condensed Consolidated Financial Statements

	As of	
	December 31, 2018	March 31, 2018
Assets		
Non-current assets		
Property, plant and equipment (Note 5)	784,087	706,079
Capital work-in-progress (Note 5)	96,724	52,089
Goodwill (Note 6)	336,098	328,070
Other intangible assets (Note 6)	857,051	837,855
Intangible assets under development (Note 6)	19,181	45,423
Investment in joint ventures and associates	89,250	86,839
Financial assets		
- Investments	21,645	5,769
- Derivative instruments	2,135	2,031
- Security deposits	11,669	9,703
- Others	3,482	5,814
Income tax assets (net)	16,070	25,505
Deferred tax assets (net)	84,497	29,330
Other non-current assets	53,647	36,319
	2,375,536	2,170,826
Current assets		
Inventories	1,116	693
Financial assets		
- Investments	38,189	68,978
- Derivative instruments	558	8,941
- Trade receivables	48,955	58,830
- Cash and cash equivalents	43,458	49,552
- Other bank balances	21,461	17,154
- Others	19,935	27,462
Other current assets	145,906	103,380
	319,578	334,990
Total assets	2,695,114	2,505,816

.....Continued

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	As of	
	December 31, 2018	March 31, 2018
Equity and Liabilities		
Equity		
Share capital	19,987	19,987
Other equity	691,110	675,357
Equity attributable to owners of the Parent	711,097	695,344
Non-controlling interests	120,962	88,139
	832,059	783,483
Non-current liabilities		
Financial liabilities		
- Borrowings	901,513	849,420
- Derivative instruments	3,149	5,409
- Others	46,612	44,547
Deferred revenue	18,640	22,117
Provisions	6,626	7,212
Deferred tax liabilities (net)	8,190	10,606
Other non-current liabilities	537	623
	985,267	939,934
Current liabilities		
Financial liabilities		
- Borrowings	262,831	129,569
- Current maturities of long-term borrowings	46,124	134,346
- Derivative instruments	9,654	283
- Trade payables	297,379	268,536
- Others	156,207	140,605
Deferred revenue	49,959	48,666
Provisions	2,133	2,384
Current tax liabilities (net)	8,345	11,058
Other current liabilities	45,156	46,952
	877,788	782,399
Total liabilities	1,863,055	1,722,333
Total equity and liabilities	2,695,114	2,505,816

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

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Shyamak R Tata
Partner
(Membership No: 38320)

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: New Delhi

Date: January 31, 2019

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)



	For the three months ended		For the nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Income				
Revenue (Note 11)	205,192	203,186	610,217	640,536
Other income	675	696	2,366	1,735
	205,867	203,882	612,583	642,271
Expenses				
Network operating expenses	57,539	47,365	164,278	149,449
Access charges	24,462	19,539	69,111	70,158
License fee / spectrum charges	17,469	17,542	52,138	58,082
Employee benefits expense	9,530	9,586	28,546	29,822
Sales and marketing expenses	13,442	15,902	39,306	45,371
Other expenses	20,570	18,564	64,965	56,162
	143,012	128,498	418,344	409,044
Profit from operating activities before depreciation, amortisation and exceptional items	62,855	75,384	194,239	233,227
Depreciation and amortisation	54,723	48,375	158,541	143,440
Finance costs	28,381	24,846	80,978	69,353
Finance income	(8,933)	(3,964)	(10,407)	(6,931)
Non-operating expenses / (income), (net)	721	2	1,835	(47)
Share of Profit of associates and joint venture (net)	98	(2,256)	(3,188)	(8,773)
(Loss) / profit before exceptional items and tax	(12,135)	8,381	(33,520)	36,185
Exceptional items (net) (Note 10)	(14,137)	2,395	(9,067)	4,684
Profit / (Loss) before tax	2,002	5,986	(24,453)	31,501
Tax expense / (credit)				
Current tax	5,331	2,420	16,357	16,608
Deferred tax	(7,155)	(2,041)	(51,924)	(2,752)
Profit for the period	3,826	5,607	11,114	17,645

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	For the three months ended		For the nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Profit for the period (continued from previous page)	3,826	5,607	11,114	17,645
Other comprehensive income ('OCI')				
Items to be reclassified subsequently to profit or loss :				
Net losses due to foreign currency translation differences	(5,431)	(6,993)	(13,711)	(3,875)
Net gains / (losses) on net investment hedge	2,781	(1,557)	(3,043)	(4,499)
Net (losses) / gains on cash flow hedge	(223)	247	(878)	210
Net gains / (losses) on fair value through OCI investments	10	(15)	(34)	27
Tax credit / (charge) (Note 8)	4,231	88	4,758	(1)
	1,368	(8,230)	(12,908)	(8,138)
Items not to be reclassified to profit or loss :				
Re-measurement (losses) / gains on defined benefit plans	(51)	226	90	192
Tax credit / (charge)	9	(23)	(62)	(12)
Share of OCI of joint ventures and associates	(9)	(2)	(9)	(5)
	(51)	201	19	175
Other comprehensive income / (loss) for the period	1,317	(8,029)	(12,889)	(7,963)
Total comprehensive income / (loss) for the period	5,143	(2,422)	(1,775)	9,682
Profit for the period attributable to :	3,826	5,607	11,114	17,645
Owners of the Parent	862	3,058	3,023	10,161
Non-controlling interests	2,964	2,549	8,091	7,484
Other comprehensive income / (loss) for the period attributable to :	1,317	(8,029)	(12,889)	(7,963)
Owners of the Parent	3,200	(8,025)	(11,198)	(7,695)
Non-controlling interests	(1,883)	(4)	(1,691)	(268)
Total comprehensive income / (loss) for the period attributable to :	5,143	(2,422)	(1,775)	9,682
Owners of the Parent	4,062	(4,967)	(8,175)	2,466
Non-controlling interests	1,081	2,545	6,400	7,216
Earnings per share (Face value: Rs. 5/- each)				
Basic	0.22	0.77	0.76	2.54
Diluted	0.22	0.76	0.76	2.54

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

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

Rakesh Bharti Mittal
Director

DIN: 00042494

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

DIN: 02291778

Shyamak R Tata
Partner

(Membership No: 38320)

Nilanjan Roy
Global Chief Financial Officer

Date: **January 31, 2019**

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; - unless stated otherwise)



	Equity attributable to owners of the Parent										Non-controlling interests ('NCI')	Total equity	
	Share capital		Other equity										
	No of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debt redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve	Other components of equity (Note 8)			Total
As of April 1, 2017	3,997,400	19,987	123,456	483,638	27,030	-	-	4,065	77,216	(60,829)	654,576	68,750	743,313
Profit for the period	-	-	-	10,161	-	-	-	-	-	-	10,161	7,484	17,645
Other comprehensive income /(loss)	-	-	-	175	-	-	-	-	-	(7,870)	(7,695)	(268)	(7,963)
Total comprehensive income	-	-	-	10,336	-	-	-	-	-	(7,870)	2,466	7,216	9,682
Transaction with owners of equity													
Employee share-based payment expense	-	-	-	-	-	-	-	267	-	-	267	17	284
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(241)	(241)	-	(241)
Exercise of share options	-	-	-	-	-	-	-	(108)	-	102	(6)	(8)	(14)
Transaction with NCI	-	-	-	-	-	-	-	-	42,616	-	42,616	13,809	56,425
Dividend (including tax) to Company's shareholders	-	-	-	(4,811)	-	-	-	-	-	-	(4,811)	-	(4,811)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(3,761)	(3,761)
Movement on account of court approved schemes	-	-	-	(680)	-	-	-	-	-	-	(680)	(428)	(1,108)
As of December 31, 2017	3,997,400	19,987	123,456	488,483	27,030	-	-	4,224	119,832	(68,838)	694,187	85,595	799,769
Profit for the period	-	-	-	829	-	-	-	-	-	-	829	3,361	4,190
Other comprehensive income / (loss)	-	-	-	19	-	-	-	-	-	(5,769)	(5,750)	(482)	(6,232)
Total comprehensive income / (loss)	-	-	-	848	-	-	-	-	-	(5,769)	(4,921)	2,879	(2,042)
Transaction with owners of equity													
Employee share-based payment expense	-	-	-	-	-	-	-	125	-	-	125	4	129
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(183)	(183)	-	(183)
Exercise of share options	-	-	-	-	3,510	-	-	(3,567)	-	47	(10)	(5)	(15)
Transaction with NCI	-	-	-	-	-	-	-	-	9	-	9	3	12
Creation of debt redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-	-
Dividend (including tax) to Company's shareholders	-	-	-	(13,664)	-	-	-	-	-	-	(13,664)	-	(13,664)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(172)	(172)
Movement on account of court approved schemes	-	-	-	(186)	-	-	-	-	-	-	(186)	(165)	(350)
As of March 31, 2018	3,997,400	19,987	123,456	475,481	23,040	7,500	-	782	119,841	(74,743)	675,357	88,139	783,483
Profit for the year	-	-	-	3,023	-	-	-	-	-	-	3,023	8,091	11,114
Other comprehensive income / (loss)	-	-	-	17	-	-	-	-	-	(11,215)	(11,198)	(1,691)	(12,889)
Total comprehensive income / (loss)	-	-	-	3,040	-	-	-	-	-	(11,215)	(8,175)	6,400	(1,775)
Transaction with owners of equity													
Issue of equity shares (refer note 4 (c))	0	0	0	-	-	-	-	-	-	-	0	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	290	-	-	290	8	298
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(248)	(248)	-	(248)
Exercise of share options	-	-	-	-	-	-	-	(315)	-	299	(16)	(16)	(32)
Transaction with NCI	-	-	-	-	-	-	-	-	43,169	-	43,169	49,456	92,625
Business combination (refer note 4 (c))	-	-	-	-	-	-	5,315	-	-	-	5,315	-	5,315
Dividend (including tax) to Company's shareholders	-	-	-	(24,056)	-	-	-	-	-	-	(24,056)	-	(24,056)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(22,561)	(22,561)
Movement on account of court approved schemes	-	-	-	(526)	-	-	-	-	-	-	(526)	(465)	(991)
As of December 31, 2018	3,997,400	19,987	123,456	453,939	23,040	7,500	5,315	757	163,010	(85,906)	691,110	120,962	832,059

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Shyamak R Tata
Partner
(Membership No: 38320)

Place: **New Delhi**

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer
Date: **January 31, 2019**

Pankaj Tewari
Company Secretary

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupee)



	For the nine months ended	
	December 31, 2018	December 31, 2017
Cash flows from operating activities		
(Loss) / profit before tax	(24,453)	31,501
Adjustments for :		
Depreciation and amortisation	158,541	143,440
Finance costs	80,978	69,353
Finance income	(10,407)	(6,931)
Share of results of joint ventures and associates	(3,188)	(8,773)
Exceptional items	(10,960)	2,125
Employee share-based payment expense	297	284
Loss on sale of assets	(200)	(177)
Other non-cash items	7,787	7,692
Operating cash flow before changes in working capital	198,395	238,514
Changes in working capital		
Trade receivables	2,760	(18,529)
Trade payables	16,923	44,141
Inventories	(421)	(157)
Provisions	(357)	750
Other financial and non-financial liabilities	(11,945)	17,191
Other financial and non-financial assets	(50,416)	(33,280)
Net cash generated from operations before tax	154,939	248,630
Income tax paid	(6,113)	(9,351)
Net cash generated from operating activities (a)	148,826	239,279
Cash flows from investing activities		
Purchase of property, plant and equipment	(213,210)	(183,098)
Proceeds from sale of property, plant and equipment	1,083	5,583
Purchase of intangible assets	(27,553)	(9,188)
Payment towards spectrum - deferred payment liability*	(6,668)	-
Net movement in current investments	27,959	(17,032)
Purchase of non-current investments	(34,641)	-
Sale of non-current investments	20,108	7,162
Consideration / advance for acquisitions, net of cash acquired	(283)	(18,232)
Sale of tower assets	3,051	3,790
Investment in associate	(60)	-
Dividend received	11,440	10,297
Interest received	4,451	3,864
Net cash used in investing activities (b)	(214,323)	(196,854)
Cash flows from financing activities		
Proceeds from borrowings	264,870	39,192
Repayment of borrowings	(252,908)	(116,210)
Net proceeds from short-term borrowings	32,710	21,962
Proceeds from sale and finance leaseback of towers	1,688	2,367
Repayment of finance lease liabilities	(3,748)	(3,150)
Purchase of treasury shares	(248)	(241)
Interest and other finance charges paid	(49,551)	(27,574)
Proceeds from exercise of share options	8	10
Dividend paid (including tax)	(46,617)	(18,816)
Proceeds from issuance of equity shares to NCI	90,348	-
Sale of interest in a subsidiary (refer Note 4 (h) & (m))	16,238	57,162
Purchase of shares from NCI (refer note 4 (f) & (g))	(5,389)	-
Net cash generated from / (used in) financing activities (c)	47,401	(45,298)
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	(18,096)	(2,873)
Effect of exchange rate on cash and cash equivalents	1,870	(299)
Cash and cash equivalents as at beginning of the period	28,468	(9,880)
Cash and cash equivalents as at end of the period (Note 7)	12,242	(13,052)

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

The accompanying notes form an integral part of these interim condensed consolidated financial statements

As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Shyamak R Tata
Partner
(Membership No: 38320)

Nilanjan Roy
Global Chief Financial Officer
Date: January 31, 2019

Pankaj Tewari
Company Secretary

Place: **New Delhi**

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 11.

2. Basis of preparation

These interim condensed consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on January 31, 2019.

These financial statements have been prepared in accordance with Ind AS 34 'Interim Financial Reporting'. Accordingly, the said financial statements do not include all the information required for a complete set of Ind AS financial statements, and should be read in conjunction with the Group's latest annual consolidated financial statements for the year ended March 31, 2018. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest annual consolidated financial statements.

All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0' and previous period figures have been re-grouped, wherever necessary to conform to current period's classification.

3. Summary of significant accounting policies / critical accounting estimates, assumptions and judgements

Significant accounting policies

The accounting policies adopted in preparation of the interim financial statements are consistent with those followed in preparation of the Group's latest annual consolidated financial statements, except for changes listed below:

A. Revenue

Effective April 1, 2018, the Group has adopted Ind AS 115, 'Revenue from Contracts with Customers' basis the cumulative effect method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard is insignificant on these financial statements.

Revenue is recognised upon transfer of control of promised products or services to customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. In order to determine if it is acting as a principal or as an agent, the Group assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

i. Service revenue

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging and value added services. It also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognised upon successful onboarding of customer i.e. upfront. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance income.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the Balance Sheet whereas unbilled revenue is recognised under other current financial assets.

Certain business services revenue include revenue from registration and installation, which are amortised over the period of agreement since the date of activation of service.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of respective arrangements.

ii. Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices.

iii. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories, for which revenue is recognised when the control of such equipment is transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not distinct performance obligation, revenue is recognised over the customer relationship period.

Disclosure on disaggregation of revenues will be included in the annual financial statement for the year ending March 31, 2019.

Critical accounting estimates, assumptions and judgments

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements or areas involving a higher degree of judgement or complexity were the same as those applied to the Group's latest annual consolidated financial statements, except for changes / update listed below:

A. Property, plant and equipment

During the nine months ended December 31, 2018, the Group has reassessed useful life of certain categories of network assets based on internal assessment and technical evaluation, and accordingly has revised the estimate of its useful life from 18 years to 25 years in respect of those assets. The impact of above change on the depreciation charge for the three and nine months ended December 31, 2018 and future periods are as follows:

	For the three months ended	For the nine months ended	For the three months ending	For the Year Ending			Future period till end of life
	December 31, 2018	December 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	
Impact on depreciation charge	(699)	(2,096)	(678)	(2,712)	(2,355)	(1,922)	9,763

B. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, goodwill and intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. Accordingly the Group has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

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.

The key assumptions used to determine the recoverable amount for the CGUs and the sensitivity analysis, are disclosed in Note 6.

4. Significant transactions / new developments

- a) During the three months ended December 31, 2018, Bharti Airtel International (Netherlands) B.V., a subsidiary of Group, early redeemed USD 995 Mn out of USD 1,500 Mn 5.125% Guaranteed Senior Notes due in March 2023 at a consideration of USD 985 per USD 1,000 and interest accrued then outstanding. Further, Euro 1,000 Mn 4% Senior Notes due in December 2018 were redeemed.
- b) During the three ended December 31, 2018, consequent to the change in shareholder rights in Airtel Payment Bank Limited ('APBL'), APBL ceased to be a subsidiary (*under Ind AS, '110 Consolidated Financial Statements'*). APBL has since been considered as an associate (*under Ind AS 28, 'Investments in Associates and Joint Ventures'*). Hence, in accordance with *Ind AS 110*, the difference between the fair value of retained interest and the previous carrying amount of the Group's share in the net assets of APBL, of Rs. 8,735 has been recognized as gain within exceptional items.
- c) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communications Private Limited with the Company. Further, during the nine months ended December 31, 2018, as the closing conditions for the said merger have been fulfilled, the said transaction is consummated. The difference of Rs. 5,315 between the purchase consideration (issuance of five equity shares and working capital adjustments) and provisional fair value of net assets has been recognised as Capital reserve, a component of equity.

The fair values of the assets and liabilities recognised at the date of acquisition are as follows:

Non-current assets	
Property, plant and equipment	4,264
Other intangible assets	17,684
Indemnification assets	8,835
Others	6,309
Current Assets	
Cash and cash equivalents	6,931
Others	7,661
Non-current liabilities	
Borrowings	14,842
Others	955
Current liabilities	
Borrowings	1,229
Trade payables	17,301
Others	12,592
Net assets acquired	4,765

However, the fair valuation of contingent liabilities (and the related impact on indemnification assets) has not been finalized and they had therefore only been provisionally determined based on the management's best estimate as at December 31, 2018.

- d) During the three months ended December 31, 2018, Airtel Africa Limited ('AAL', a subsidiary of the Group), has issued to global investors 842 Mn equity shares against investment of USD 1,250 Mn subject to customary indemnities. As at December 31, 2018, AAL has 2,947 Mn outstanding equity shares. Subsequent to the quarter, another global investor has invested USD 200 Mn in AAL.
- e) During the nine months ended, the Company's board of directors at its meeting held on October 25, 2018, has paid interim dividend for the financial year 2018-19 of Rs. 2.50/- per equity share (face value : Rs. 5/- each).
- f) During the nine months ended December 31, 2018, the Group has acquired 7.95% equity stake in Airtel Gabon S.A. thereby, increasing its shareholding to 97.95%. The excess of consideration paid to NCI over the carrying value of the interest acquired Rs. 1,112 has been recognised in the transaction with NCI reserve, a component of equity.
- g) During the nine months ended December 31, 2018, the Group has acquired 8.45% equity stake in Airtel Networks Limited thereby, increasing its shareholding to 91.70%. The excess of consideration paid to NCI over the carrying value of the interest acquired Rs. 4,668 has been recognised in the transaction with NCI reserve, a component of equity.
- h) During the year ended March 31, 2018, the Group had entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. Further, during the nine months ended December 31, 2018, as the closing conditions for the said transaction have been fulfilled, the said transaction is consummated. Accordingly, the excess of proceeds over the NCI amounting to Rs. 19,064 has been recognised directly in NCI reserve, a component of equity.
- i) During the year ended March 31, 2018, the Group had entered into a share purchase agreement with Millicom International Cellular S.A. to acquire 100% equity interest in Tigo Rwanda Limited. The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of Rs. 362 between the fair value of purchase consideration (including contingent consideration) aggregating to Rs. 3,200 and provisional fair value of net assets of Rs. 2,838 had been recognised as goodwill. The initial accounting for the acquisition had only provisionally determined at the year ended March 31, 2018.

Further during the nine months ended December 31, 2018, the provisional accounting has been finalized and accordingly, the revised difference of Rs. 873 between the fair value of the purchase consideration aggregating to Rs. 3,377 and fair value of net assets of Rs. 2,504 has been recognised as goodwill.

Further, with effect from July 1, 2018, Tigo Rwanda Limited had merged with Airtel Rwanda Limited. Accordingly Tigo Rwanda Limited has ceased to exist.

- j) During the year ended March 31, 2018, the Group had entered into a share purchase agreement with seller of Tikona Digital Networks Private Limited ('TDNPL') to acquire 100% equity interest in TDNPL.

The difference of Rs. 739 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to synergies expected from the combined operation of the Group and TDNPL.

- k) During the year ended March 31, 2017, the Group signed a definitive agreement to enter into 50-50 joint venture between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of their respective ownership interest of operations in Ghana. Further during the year ended March 31, 2018, as the closing conditions for consummation of the transaction have been fulfilled, the Group and Millicom International Cellular had formed a joint venture to combine their telecommunication operations in Ghana.
- l) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company / Bharti Hexacom Limited (subsidiary of the Company) was entered into. Further, the boards of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.
- m) During the year ended March 31, 2018, the Group has sold approx. 150.5 Mn equity shares of Bharti Infratel Limited. The excess of proceeds (net of associated transaction costs, taxes and regulatory levies) over the change in NCI amounting to Rs. 42,598 has been recognised directly in NCI reserve, a component of equity.

5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the nine months ended December 31, 2018 and 2017:

	PPE			
	Land & Building	Plant and equipment	Other PPE	Total
Gross carrying value				
Balance as of April 1, 2017	22,249	1,286,468	83,830	1,392,547
Additions	420	140,657	5,641	146,718
Acquisition through business combinations@	-	206	-	206
Disposals / adjustments	(544)	(34,438)	(1,270)	(36,252)
Sale of Subsidiaries^	(148)	(9,184)	(1,608)	(10,940)
Exchange differences	90	(4,257)	(489)	(4,656)
Balance as of December 31, 2017	22,067	1,379,452	86,104	1,487,623
Balance as of April 1, 2018	23,379	1,458,452	91,126	1,572,957
Additions	760	182,294	6,439	189,493
Acquisition through business combinations@	-	4,451	114	4,565
Sale of Subsidiaries^	-	-	(174)	(174)
Disposals / adjustments	(27)	(5,613)	(2,818)	(8,458)
Exchange differences	141	(2,544)	1,106	(1,297)
Balance as of December 31, 2018	24,253	1,637,040	95,793	1,757,086
Accumulated depreciation				
Balance as of April 1, 2017	10,304	690,103	72,052	772,459
Charge#	775	95,653	5,669	102,097
Disposals / adjustments	(285)	(25,410)	(307)	(26,003)
Sale of subsidiaries^	(87)	(4,168)	(1,449)	(5,704)
Exchange differences	61	(2,709)	(224)	(2,872)
Balance as of December 31, 2017	10,768	753,469	75,741	839,978
Balance as of April 1, 2018	11,212	777,406	78,260	866,878
Charge#	800	109,054	5,437	115,291
Sale of Subsidiaries^	-	-	(75)	(75)
Disposals / adjustments	(12)	(4,381)	(54)	(4,447)
Exchange differences	27	(5,729)	1,054	(4,648)
Balance as of December 31, 2018	12,027	876,350	84,622	972,999
Net carrying value				
As of April 1, 2017	11,945	596,365	11,778	620,088
As of December 31, 2017	11,299	625,983	10,363	647,645
As of April 1, 2018	12,167	681,046	12,866	706,079
As of December 31, 2018	12,226	760,690	11,171	784,087

@Refer note 4 (c), (i) and (j)

^ Refer Note 4 (b) / (k)

#It includes Rs. 4,917 (December 31, 2017 Rs. 2,791) on account of exceptional item with respect to plant and equipment (refer note 10 (i) (a) and (c) & (ii) a) and Rs. 319 (December 31, 2017 Rs. 287) on account of court approved scheme / arrangements.

The carrying value of capital work-in-progress as of December 31, 2018 and March 31, 2018 is Rs. 96,724 and Rs. 52,089 respectively, which mainly pertains to plant and equipment.

During the nine months ended December 31, 2018 and 2017 the Group has capitalised borrowing cost of Rs. 624 and Nil respectively.

6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the nine months ended December 31, 2018 and 2017:

	Goodwill #	Other intangible assets			
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles
Gross carrying value					
Balance as of April 1, 2017	340,719	17,982	23,582	933,212	9,777
Additions	-	1,767	4,199	40,191	6
Acquisition through business combinations@	739	-	-	-	-
Disposals / adjustments	-	39	393	-	(231)
Sale of Subsidiaries^	(6,321)	-	(470)	(2,764)	-
Exchange differences	(6,146)	(5)	(523)	(3,015)	45
Balance as of December 31, 2017	328,991	19,783	27,181	967,624	9,597
Balance as of April 1, 2018	330,710	21,481	29,675	968,581	10,128
Additions	-	1,920	14,776	31,665	-
Acquisition through business combinations@	436	0	-	15,691	832
Sale of Subsidiaries^	(3)	(194)	-	-	-
Disposals / adjustments	-	(32)	1,114	(65)	(29)
Exchange differences	7,592	507	1,737	774	79
Balance as of December 31, 2018	338,735	23,682	47,302	1,016,646	11,010
Accumulated amortisation					
Balance as of April 1, 2017	-	14,064	6,620	135,302	4,386
Charge	-	2,003	1,154	39,499	1,765
Disposals / adjustments	-	(465)	(243)	27	(28)
Sale of Subsidiaries^	-	-	(53)	(1,520)	-
Exchange differences	-	22	(161)	(1,951)	33
Balance as of December 31, 2017	-	15,624	7,317	171,357	6,156
Balance as of April 1, 2018	-	16,657	7,397	161,389	6,567
Charge	-	1,945	1,861	43,057	1,623
Sale of Subsidiaries^	-	(75)	-	-	-
Disposals / adjustments	-	(32)	1,114	(65)	(29)
Exchange differences	-	24	247	(241)	150
Balance as of December 31, 2018	-	18,519	10,619	204,140	8,311
Net carrying value					
As of April 1, 2017	338,082	3,918	16,962	797,910	5,391
As of December 31, 2017	326,351	4,159	19,864	796,267	3,441
As of April 1, 2018	328,070	4,824	22,278	807,192	3,561
As of December 31, 2018	336,098	5,163	36,683	812,506	2,699

#Net carrying value of goodwill includes accumulated impairment of Rs. 2,637 as on December 31, 2018, April 1, 2018 and December 31, 2017 and April 1, 2017.

@Refer note 4 (c), (i) and (j)

^Refer Note 4 (b) / (k)

The carrying value of intangible assets under development as of December 31, 2018 and March 31, 2018 is Rs. 19,181 and Rs. 45,423 respectively, which mainly pertains to spectrum.

During the nine months ended December 31, 2018 and 2017 the Group has capitalised borrowing cost of Rs. 177 and Rs. 2,514 respectively.

Impairment reviews

The Group tests goodwill for impairment annually on December 31. The impairment assessment is based on value in use calculations and such testing at December 31, 2018 did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of	
	December 31, 2018	March 31, 2018
Mobile Services - Africa	288,796	281,182
Mobile Services - India	40,413	40,413
Airtel business	6,545	6,131
Homes Services	344	344
	336,098	328,070

The recoverable amount of the above CGUs are based on value-in-use, which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid-term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal 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 the internal / external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins
- Discount rate
- Growth rates
- Capital expenditures

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7. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents are as following:

	As of	
	December 31, 2018	December 31, 2017
Cash and cash equivalents	43,458	18,293
Bank overdraft	(31,216)	(31,345)
	12,242	(13,052)

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8. Other reserves

	Foreign currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Treasury shares	Total
As of April 1, 2017	(60,685)	133	90	(367)	(60,829)
Net losses due to foreign currency translation differences	(3,572)	-	-	-	(3,572)
Net losses on net investment hedge	(4,523)	-	-	-	(4,523)
Net losses on cash flow hedge	-	211	-	-	211
Net gains on fair value through OCI investments	-	-	14	-	14
Purchase of treasury shares	-	-	-	(241)	(241)
Exercise of share options	-	-	-	102	102
As of December 31, 2017	(68,780)	344	104	(506)	(68,838)
Net losses due to foreign currency translation differences	(3,484)	-	-	-	(3,484)
Net losses on net investment hedge	(2,985)	-	-	-	(2,985)
Net gains on cash flow hedge	-	599	-	-	599
Net gains on fair value through OCI investments	-	-	101	-	101
Purchase of treasury shares	-	-	-	(183)	(183)
Exercise of share options	-	-	-	47	47
As of March 31, 2018	(75,249)	943	205	(642)	(74,743)
Net losses due to foreign currency translation differences	(12,129)	-	-	-	(12,129)
Net gains on net investment hedge	1,818	-	-	-	1,818
Net losses on cash flow hedge	-	(878)	-	-	(878)
Net losses on fair value through OCI investments	-	-	(26)	-	(26)
Purchase of treasury shares	-	-	-	(248)	(248)
Exercise of share options	-	-	-	299	299
As of December 31, 2018	(85,560)	65	179	(591)	(85,906)

The income tax credit / (charge) relating to above components of OCI is as follows:

	For the three months ended		For the nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net gains / losses on net investments hedge	4,232	86	4,755	2
Net gains / losses on fair value through OCI investments	(1)	1	3	(4)
	4,231	87	4,758	(2)

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9. Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	December 31, 2018	March 31, 2018
Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales Tax and Service Tax	14,536	31,560
- Income Tax	14,545	15,712
- Customs Duty	6,842	7,646
- Entry Tax	9,948	9,878
- Stamp Duty	596	596
- Municipal Taxes	1,610	1,488
- Department of Telecom ('DoT') demands	69,937	40,778
- Other miscellaneous demands	5,399	5,164
Claims under legal cases including arbitration matters		
- Access charges / Port charges	11,990	10,733
- Others	2,616	2,708
	138,019	126,263

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is Rs. 24,969 and Rs. 21,816 as of December 31, 2018 and March 31, 2018 respectively.

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

- Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Kerala High Court, Hon'ble Tripura High Court and Hon'ble Supreme Court.
- On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for Rs. 52,013 towards levy of one time spectrum charge, which was further revised on June 27, 2018 to Rs. 84,140. The revised demand includes a retrospective charge of Rs. 9,090 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 Rs. 75,050 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 and one of its subsidiaries, 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 and one of its subsidiaries, 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 matter is currently pending with Hon'ble High Court of Bombay. The Company and one of its subsidiaries, based on independent legal opinions, till date has not given any effect to the above demand.

- c) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of Rs. 3,500 on the Company. The Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

(ii) Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 99,748 and Rs. 137,280 as of December 31, 2018 and March 31, 2018 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 4,068 and Rs. 4,126 as of December 31, 2018 and March 31, 2018 respectively.

10. Exceptional items

Exceptional items comprise of the following:

(iii) For the three and nine months ended December 31, 2018:

- a. Charge of Rs. 1,741 and Rs. 4,943 towards operating costs on network re-farming and up-gradation program
- b. Credit of 7,391 and Rs. 6,891 due to re-assessment of levies and settlement of litigations
- c. Charge of Rs. Nil and charge of Rs. 1,368 mainly towards net integration related cost / reversal pertaining to the business combination
- d. Charge of Rs. 248 related to the early redemption of the USD 1,500 Mn 5.125% Guaranteed Senior Notes due in March 2023 (refer note 4 (a)).
- e. Credit of Rs. 8,735 Mn due to de-consolidation of APBL (refer note 4 (b)).

(iv) For the three and nine months ended December 31, 2017:

- a. Charge of Rs. 974 and Rs. 3,263 mainly towards operating costs on network re-farming and up-gradation program for the three and nine months ended December 31, 2017 respectively.
- b. Net charge of Rs 2,035 relating to the translation impact in Nigeria due to transition from the administered to market based exchange rate given the underlying economic changes for the three and nine months ended December 31, 2017.
- c. Gain of Rs 614 towards divestment of subsidiary / assets for the three and nine months ended December 31, 2017.

Tax expenses include:

Net charge of Rs. 3,967 and net benefit of Rs. 16,397 (including deferred tax asset pertaining to the subsidiary recognised) during the three and nine months ended December 31, 2018 respectively, and net benefits of Rs. 802 and Rs. 1,234 (including deferred tax asset pertaining to the subsidiary recognised) during the three and nine months ended December 31, 2017 respectively, pertaining to above exceptional items.

The net impact for non-controlling interests is charge of Rs. 1,100 and Rs. 620 during the three and nine months ended December 31, 2018, respectively and charge of Rs. 310 and Rs. 485 during the three months and nine months ended December 31, 2017 respectively, pertaining to above exceptional items.

11. 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 and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, property, plant and equipment, capital work-in-progress, intangibles assets,

intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development and capital advances.

The 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.

Mobile Services Africa: These services cover provision of voice and data telecom services provided through wireless technology (2G / 3G / 4G) offered to customers in Africa. This also includes corporate headquarter costs of the Group's Africa operations.

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

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: These services include setting up, operating and maintaining wireless communication towers in India.

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology for homes.

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

Others: It includes certain other strategic investment in joint venture / associates, and administrative / support services provided to other segments.

Unallocated: It includes expenses / results, assets and liabilities primarily of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.



Summary of the segmental information for the three months ended and as of December 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others#	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	96,844	57,814	1,066	25,811	7,655	5,454	10,313	156	-	79	205,192
Inter-segment revenue	5,048	1,220	64	5,306	9,671	49	17	68	-	(21,443)	-
Total revenue	101,892	59,034	1,130	31,117	17,326	5,503	10,330	224	-	(21,364)	205,192
Share of results of joint ventures and associates*	2	(72)	-	-	2,176	-	-	(2,039)	-	(165)	(98)
Segment results*	(19,032)	13,542	(247)	6,667	8,006	734	1,568	(2,286)	(336)	(582)	8,034
Less:											
Finance costs											28,381
Finance income											(8,933)
Non-operating income, (net)											721
Exceptional items (net) (refer Note 10)											(14,137)
Profit before tax											2,002
Other segment items											
Capital expenditure	39,665	13,562	390	9,357	1,877	2,450	3,268	21	403	-	70,993
Depreciation and amortisation	38,451	8,182	289	3,185	2,647	1,843	2,258	8	3	(2,143)	54,723
As of December 31, 2018											
Segment assets	1,680,964	546,079	6,956	154,856	165,855	45,829	26,649	40,090	118,278	(90,442)	2,695,114
Segment liabilities	420,540	109,174	2,564	79,555	23,389	20,858	35,531	1,817	1,255,321	(85,694)	1,863,055
Investment in joint ventures and associates (included in segment assets above)*	67	168	-	-	50,165	3	-	38,847	-	-	89,250

Refer Note 4(b)



Summary of the segmental information for the three months ended December 31, 2017 and as of March 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	102,279	50,397	963	24,946	8,599	6,090	9,626	337	-	(51)	203,186
Inter-segment revenue	5,231	898	50	4,152	8,350	62	16	676	-	(19,435)	-
Total revenue	107,510	51,295	1,013	29,098	16,949	6,152	9,642	1,013	-	(19,486)	203,186
Share of results of joint ventures and associates*	3	(0)	-	-	3,226	1	-	(437)	-	(536)	2,256
Segment results*	1,671	11,060	(296)	8,829	8,475	1,130	1,500	(1,307)	(910)	(887)	29,265
Less:											
Finance costs											24,846
Finance income											(3,964)
Non-operating expense, (net)											2
Exceptional items (net) (refer Note 10)											2,395
Profit before tax											5,986
Other segment items											
Capital expenditure	49,347	4,673	1,002	2,373	2,380	3,358	2,361	-	1,472	(921)	66,045
Depreciation and amortisation	33,191	7,010	315	2,819	2,929	1,930	2,209	20	0	(2,048)	48,375
As of March 31, 2018											
Segment assets*	1,515,169	507,281	6,839	155,687	199,273	44,251	26,120	39,261	88,578	(76,643)	2,505,816
Segment liabilities	317,043	115,039	2,622	76,378	22,400	19,866	33,964	8,328	1,210,172	(83,479)	1,722,333
Investment in joint ventures and associates (included in segment assets above)*	57	226	-	-	58,110	3	-	28,443	-	-	86,839

Summary of the segmental information for the nine months ended December 31, 2018 is as follows:



	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others#	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	293,662	164,807	3,138	78,575	22,484	16,742	30,446	870	-	(507)	610,217
Inter-segment revenue	15,555	3,543	174	15,923	28,997	113	50	256	-	(64,611)	-
Total revenue	309,217	168,350	3,312	94,498	51,481	16,855	30,496	1,126	-	(65,118)	610,217
Share of results of joint ventures and associates*	4	(72)	-	-	7,533	3	-	(3,058)	-	(1,222)	3,188
Segment results*	(43,729)	38,929	(849)	21,843	23,597	2,846	5,557	(4,979)	(1,397)	(2,932)	38,886
Less:											
Finance costs											80,978
Finance income											(10,407)
Non-operating expense, (net)											1,835
Exceptional items (net) (refer note 10)											(9,067)
Loss before tax											(24,453)
Other segment items											
Capital expenditure	193,811	26,972	1,064	14,240	7,397	6,534	6,874	41	1,443	(2,073)	256,303
Depreciation and amortisation	112,073	22,806	931	9,160	8,111	5,517	6,239	50	9	(6,355)	158,541

Refer Note 4(b)

Summary of the segmental information for the nine months ended December 31, 2017 is as follows:



	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	342,403	148,161	2,803	74,033	24,965	19,056	27,936	847	-	332	640,536
Inter-segment revenue	16,704	3,691	209	11,250	24,580	167	49	2,158	-	(58,808)	-
Total revenue	359,107	151,852	3,012	85,283	49,545	19,223	27,985	3,005	-	(58,476)	640,536
Share of results of joint ventures and associates*	8	204	-	-	9,739	3	-	(332)	-	(848)	8,774
Segment results*	25,657	24,596	(996)	22,627	25,042	3,571	3,768	(2,349)	(1,651)	(1,705)	98,560
Less:											
Finance costs											69,353
Finance income											(6,931)
Non-operating income, (net)											(47)
Exceptional items (net) (refer Note 10)											4,684
Profit before tax											31,501
Other segment items											
Capital expenditure	163,836	11,922	1,763	7,690	8,636	8,899	8,213	219	3,872	(5,325)	209,725
Depreciation and amortisation	95,403	23,922	938	8,313	8,878	5,209	6,757	34	0	(6,014)	143,440

*Effective April 1, 2018, there are certain changes in segment, which mainly related to certain investments in joint venture / associate being now reported under 'Others' segment, which were earlier included in 'Mobile Service Africa' / 'Mobile Service South Asia' segment. Accordingly, the historical periods have been restated for the said segmental changes to make them comparable.

12. Related party disclosures

The details of significant transactions with the related parties for the three and nine months ended December 31, 2018 and 2017 respectively, are provided below:

	For the three months ended		For the nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Receiving of services				
Joint Venture				
Indus Towers Limited	12,284	9,883	31,964	29,158
Reimbursement of energy expenses				
Joint Venture				
Indus Towers Limited	7,690	6,323	20,627	18,739
Dividend received				
Joint Venture				
Indus Towers Limited	-	-	11,261	10,010
Dividend paid				
Entity having control / significant influence over the Company				
Bharti Telecom Limited	5,007	-	10,014	1,818
Pastel Limited	1,479	-	2,957	591

(This space has been intentionally left blank)

13. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

		Carrying value as of		Fair value as of	
	Level	December 31, 2018	March 31, 2018	December 31, 2018	March 31, 2018
Financial assets					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	733	8,541	733	8,541
- Interest swaps	Level 2	1,735	2,101	1,735	2,101
- Embedded derivatives	Level 2	225	330	225	330
Investments-quoted	Level 1	54,154	65,460	54,154	65,460
Investments-unquoted	Level 2	3,556	2,992	3,556	2,992
Fair value through other comprehensive income					
Investments-quoted	Level 1	2,123	2,391	2,123	2,391
Investments-unquoted	Level 2	-	3,904	-	3,904
Amortised cost					
Security deposits		11,669	9,703	11,669	9,703
Trade receivables		48,955	58,830	48,955	58,830
Cash and cash equivalents		43,458	47,886	43,458	47,886
Other bank balances		21,461	18,820	21,461	18,820
Other financial assets		23,417	33,276	23,417	33,276
		211,487	254,234	211,487	254,234
Financial liabilities					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	6,968	474	6,968	474
- Interest rate swaps	Level 2	5,619	5,210	5,619	5,210
- Embedded derivatives	Level 2	217	8	217	8
Amortised cost					
Borrowings - fixed rate	Level 1	254,830	414,407	250,367	427,293
Borrowings - fixed rate	Level 2	529,613	512,404	567,715	555,413
Borrowings - floating rate		426,024	186,525	426,024	186,525
Trade payables		297,379	277,675	297,379	277,675
Other financial liabilities		202,819	185,152	202,819	185,152
		1,723,470	1,581,855	1,757,108	1,637,750

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

- i. The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of December 31, 2018 and March 31, 2018:

Financial assets / liabilities	Inputs used
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, interest rates
- Interest swaps	Prevailing / forward interest rates in market, interest rates
- Embedded derivatives	Forward currency exchange rates, interest rates
Investments	Prevailing interest rates in market, interest rates
Fixed rate borrowings	Prevailing interest rates in market, future payouts, interest rates

During the nine months / year ended December 31, 2018 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since December 31, 2018, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

1. Approval of issuance of perpetual bond of upto USD 1 billion (₹ 70,000 million) denominated in foreign currency subject to price, market conditions and other terms and conditions as acceptable, and with conditions allowing for full accounting equity credit and subject to all applicable laws including under ECB Guidelines.
2. Acceptance of resignation of Mr. Nilanjan Roy, Global CFO and KMP of our Company with effect from February 28, 2019.
3. Appointment of Mr. Badal Bagri as Chief Financial Officer (India & South Asia) ('CFO') and KMP of our Company with effect from March 1, 2019.
4. Our Company circulated a Postal Ballot Notice dated December 20, 2018 ('Postal Ballot') to seek approval of members vide special resolution for the transfer of up to 591,874,639 equity shares (constituting 32% equity shares of the paid-up capital) held by Our company in Bharti Infratel Limited, a subsidiary, to Nettle Infrastructure Investments Limited, a wholly-owned subsidiary and subsequent transfer thereof. The results of the Postal Ballot were announced on Saturday, March 9, 2019 at the registered office of our Company.
5. Disposal of 16.76% stake (*i.e.* 310,000,000 equity shares) in Bharti Infratel Limited to Nettle Infrastructure Investment Limited, a wholly owned subsidiary of our Company.
6. Our Company has announced the signing of an agreement by its subsidiary, Airtel Networks Kenya Limited with Telkom Kenya Limited for merging their respective Mobile, Enterprise and Carrier Services businesses in Kenya to operate as 'Airtel- Telkom'. The finalization and closure of the transaction is subject to approval by the relevant authorities.
7. Moody's Investors Service ("**Moody's**") has downgraded to Ba1 from Baa3 the senior unsecured rating for Bharti Airtel Limited (Bharti) as well as the backed senior unsecured notes issued by Bharti's wholly-owned subsidiary, Bharti Airtel International (Netherlands) B.V. At the same time, Moody's has assigned a Ba1 corporate family rating (CFR) to Bharti and withdrawn the company's Baa3 issuer rating. The ratings outlook is negative.
8. Ms. Kimsuka Narasimhan has been appointed as an additional Director (to be designated as an independent Director of our Company), in compliance with the requirement under Regulation 17(1) of the SEBI Listing Regulations, pursuant to our Board resolution dated March 30, 2019, for a term of five years, *i.e.*, from March 30, 2019 to March 29, 2024, subject to approval of the Shareholders.
9. The meeting of our Board is scheduled to be held on May 6, 2019, to consider and take on record audited financial results (standalone and consolidated) for the fourth quarter and financial year ended on March 31, 2019.
10. The meeting of board of directors of Bharti Infratel, our Subsidiary, is scheduled to be held on April 24, 2019, to consider and take on record audited financial results (standalone and consolidated) for the fourth quarter and financial year ended on March 31, 2019.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of the Financial Statements included in the section “Financial Statements” on page 113.

Accounting Ratios

Ratio	Consolidated	
	As at and for the nine month period ended December 31, 2018*	As at and for the Fiscal 2018 ⁽¹⁾
Basic and diluted EPS (in ₹)	0.76	2.75
Return on net worth (in %)	0.48	1.69
Net asset value per Equity Share (in ₹)	208.15	196.00
EBITDA (In ₹ million)	194,239	303,279

⁽¹⁾ Based on Annual Audited Financial Statements

* Not annualised

The ratios have been computed as below:

Ratios	Computation
Basic and diluted earnings per Equity Share	$\frac{\text{Profit attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding at the end of year/period}}$
Return on net worth (%)	$\frac{\text{Profit for the year/period attributable to owners of the parent}}{\text{Net worth at the end of the year/period}}$ Net worth is the aggregate of total issued and subscribed share capital, share premium, retained earnings, share based payment reserve, debenture redemption reserve and general reserve as per the audited consolidated financial statements of respective years/period
Net asset value per Equity Share	Net asset value per Equity Share is computed by dividing the difference between Total assets and Total liabilities (as presented in the Financial Statements) with the number of issued, subscribed and fully paid-up Equity Shares outstanding as at respective year/period end
EBITDA	Profit from operating activities before depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the Annual Audited Financial Statements and Interim Audited Financial Statements, as the case may be

Capitalisation Statement

The following table sets forth the capitalisation statement of our Company based on (i) the Interim Audited Financial Statements as at and for the nine month period ended December 31, 2018, and (ii) as adjusted for the Issue:

(in ₹ million)			
Particulars	As at December 31, 2018	Proceeds from the Issue	As adjusted for the Issue [#]
Share Capital			
Equity Share capital	19,987	5,668	25,655
Other equity	691,110	243,722	934,832
Equity attributable to shareholders of our Company	711,097	249,390	960,487
Non-controlling interest	120,962	-	120,962
Total equity	832,059	249,390	1,081,449
Debt			
Long term borrowings (including current maturities of long term borrowings)	947,637	-	947,637
Short term borrowings	262,831	-	262,831
Total Debt	1,210,468	-	1,210,468
Total debt/ equity ratio	1.45		1.12
Long term debt/equity ratio	1.14		0.88

[#] The figures for the respective financial statements line items under ‘As adjusted for the Issue’ column are derived after considering the proceeds of Rights Equity Shares (assuming full subscription) and it does not consider any other transactions or movements for such financial statements line items after December 31, 2018. The actual numbers post the Issue would depend on the actual position on the deemed date of Allotment.

The ratios have been computed as under:

1. Current maturity of long term debt has been considered under long term debt
2. $\text{Total Debt / Equity Ratio} = \text{Total Debt} / \text{Total equity}$
3. $\text{Long-term debt / Equity Ratio} = \text{Long-term borrowings} / \text{Total equity}$
4. Other Equity is as presented in the Interim Audited Financial Statements

STOCK MARKET DATA FOR SECURITIES OF OUR COMPANY

The Equity Shares are listed on the BSE and the NSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, see “*Terms of the Issue*” on page 311. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE and the NSE by letters dated March 22, 2019 and March 20, 2019, respectively.

For the purpose of this section, unless otherwise specified:

- A year is a calendar year;
- Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE and the NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded:

BSE							
Year	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
2018	January 5, 2018	540.00	464,949	October 23, 2018	285.90	120,313	376.52
2017	November 2, 2017	543.10	557,488	January 3, 2017	303.65	158,377	400.76
2016	July 15, 2016	378.50	173,767	January 29, 2016	289.7	357,542	333.42

Source: www.bseindia.com

NSE							
Year	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
2018	January 5, 2018	540.00	7,218,024	October 11, 2018	285.35	4,681,303	376.92
2017	November 2, 2017	543.20	9,870,544	January 3, 2017	304.45	2,961,851	400.92
2016	July 15, 2016	378.90	2,536,815	January 29, 2016	289.90	6,645,497	333.46

Source: www.nseindia.com

The following table sets forth the monthly high and low prices and trading volumes on the BSE and the NSE for the six months preceding the date of filing of this Letter of Offer.

BSE							
Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
March, 2019	March 12, 2019	350.80	1,695,008	March 1, 2019	307.05	1,154,411	327.25
February, 2019	February 27, 2019	319.95	205,806	February 14, 2019	301.05	249,933	310.50
January, 2019	January 15, 2019	337.65	259,228	January 24, 2019	301.60	352,833	318.43
December, 2018	December 18, 2018	322.25	230,865	December 11, 2018	290.10	386,099	311.17
November, 2018	November 19, 2018	336.70	575,254	November 1, 2018	292.80	221,979	313.71

BSE							
Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
October, 2018	October 1, 2018	325.85	325,284	October 23, 2018	285.90	120,313	296.59

Source: www.bseindia.com

NSE							
Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Average (₹)
March, 2019	March 12, 2019	351.80	27,100,883	March 1, 2019	307.65	26,657,232	327.59
February, 2019	February 27, 2019	320.15	4,080,123	February 14, 2019	300.80	7,726,834	310.45
January, 2019	January 15, 2019	337.75	5,143,387	January 24, 2019	301.65	9,363,696	318.60
December, 2018	December 19, 2018	322.70	5,217,959	December 11, 2018	290.25	9,007,497	311.38
November, 2018	November 19, 2018	336.85	11,772,584	November 1, 2018	293.50	4,748,038	313.94
October, 2018	October 1, 2018	326.75	9,794,496	October 11, 2018	285.35	4,681,303	296.65

Source: www.nseindia.com

Week end prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE			
For the week ended on	Closing Price (₹)	High (₹)	Low (₹)
April 8, 2019 to April 12, 2019	341.55	354.30	340.05
April 1, 2019 to April 5, 2019	356.60	357.55	340.25
March 25, 2019 to March 29, 2019	332.90	332.90	323.30
March 18, 2019 to March 22, 2019	331.15	336.65	330.65

Source: www.bseindia.com

NSE			
For the week ended on	Closing Price (₹)	High (₹)	Low (₹)
April 8, 2019 to April 12, 2019	341.95	354.95	340.00
April 1, 2019 to April 5, 2019	356.65	356.80	340.80
March 25, 2019 to March 29, 2019	333.10	333.10	322.50
March 18, 2019 to March 22, 2019	331.55	336.75	330.60

Source: www.nseindia.com

The closing market price of the Equity Shares as on one day prior to the date of this Letter of Offer was ₹346.75 on the BSE and ₹346.95 on the NSE.

The Issue Price of ₹ 220 per Rights Equity Share has been arrived at in consultation between our Company and the Lead Managers.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below there is no outstanding litigation involving our Company and/or our Subsidiaries with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (iv) any pending matters against our Company and/or our Subsidiaries, which if they result in an adverse outcome would materially and adversely affect our operations or our financial position and (v) involving an amount in excess of the materiality threshold (as set forth below).

In this regard, please note the following:

- 1. In determining whether any outstanding litigation against our Company and/or our Subsidiaries other than litigation involving moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences, the materiality threshold has been determined by our Company in accordance with the requirements under the Listing Regulations to be 1% of the consolidated total revenues or 1% of the consolidated net worth, whichever is lower, of our Company for Fiscal 2018. Accordingly, the materiality threshold considered for disclosure in this section is ₹ 7,500 million and only such proceedings other than those set forth above wherein the monetary amount of claim made against our Company and/or our Subsidiaries or the financial implications exceed this materiality threshold shall be disclosed in this section.*
- 2. Notices received by the our Company and/or our Subsidiaries from third parties (excluding notices pertaining to any offence involving moral turpitude, notices threatening criminal liability, notices pertaining to material violations of statutory regulations or notices relating to economic offences) shall not be evaluated for materiality until such time that our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.*
- 3. Except as disclosed below, neither our Company nor our Subsidiaries are aware of any litigation against them, involving moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences, pending matters which if they result in an adverse outcome would materially and adversely affect our operations or our financial position or involving an amount above ₹ 7,500 million.*

In addition to the cases set out below, our Company and/or our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, arising in the ordinary course of their respective businesses.

Litigation involving our Company

Proceedings involving material violations of statutory regulations by our Company

- 1. The Government published its approval of TRAI's recommendation on "Spectrum Management and Licensing Framework" in relation to spectrum pricing on November 8, 2012. Subsequently, the DoT passed an order dated December 28, 2012 levying a one-time spectrum charge on incumbent telecom operators, in accordance with the rates provided for in the schedule of the decision dated December 28, 2012 on entities holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012. Additionally, a one-time charge for holding spectrum beyond 4.4 MHz prospectively from January 1, 2013 till expiry of license was levied upon existing operators in accordance with the rates provided in the schedule of the decision dated December 28, 2012. Thereafter, on January 8, 2013, the DoT issued a demand notice raising a demand of ₹ 52,013 million against us as one-time spectrum charges, out of which, ₹ 17,580.70 million was required to be paid within 21 days from the date of issue of the said demand notice. Our Company and Bharti Hexacom challenged the demand notice by filing a writ petition before the Bombay High Court, which by its order dated January 28, 2013 has stayed the enforcement of the impugned demand and directed the DoT not to adopt any coercive action for recovery till the final outcome of the matter. The matter is currently pending for final hearing.*

The DoT revised its demand of one-time spectrum charge to ₹ 84,140 million vide its letter dated June 27, 2018. We submitted a response against the said demand on August 29, 2018 requesting the DoT to

withdraw the revised demand order and await the final outcome of the matter pending before the Bombay High Court.

2. The DoT, vide its order dated February 25, 2010, revised the 2G spectrum charges applicable on telecom service providers with effect from April 1, 2010. Our Company and Bharti Hexacom challenged the DoT order dated February 25, 2010 before the TDSAT. In its order dated September 1, 2010, the TDSAT ruled in favor of the DoT upholding its aforesaid order. Our Company and Bharti Hexacom challenged the decision of the TDSAT before the Supreme Court. The Supreme Court, in its order dated October 22, 2010, stayed the operation of the aforesaid order of the DoT, imposing the following conditions: (i) our Company and Bharti Hexacom to deposit 50% of the disputed outstanding principal amount of the spectrum charges payable net of interest in its registry within a period of two weeks; (ii) the balance 50% of the disputed outstanding amount net of interest be secured by way of bank guarantee of a nationalized bank to be provided within a period of two weeks; and (iii) the managing director of our Company and Bharti Hexacom to give an affidavit to the effect that, in the event the appeal before the Supreme Court is dismissed; our Company and Bharti Hexacom will pay the balance amount with interest at the rate which may be fixed by the Supreme Court at the appropriate stage. The Supreme Court also stated that in case of a breach of the aforementioned conditions, the impugned DoT order will come into force with immediate effect. All the conditions as stated herein above have been fulfilled and the stay has been maintained. The matter is currently pending before the Supreme Court and will be listed in due course for hearing.

3. The license to maintain and operate cellular services in the telecom circle of Punjab was terminated on July 15, 1999 by the DoT on account of alleged non-payment of license fee and dues, for the period April 18, 1996 to March 10, 1998 (“**Black-out Period**”), including interest and penalty accrued due to such alleged delay. Our Company deposited the entire license fee, interest and penalty amount of approximately ₹ 4,855.80 million, vide an understanding between the parties that in case the outcome of the dispute was in favour of our Company, the entire amount shall be refunded back with interest. On accepting the aforesaid condition, the DoT offered the migration package to our Company for restoration of license on September 27, 2001, and along with our Company referred this case to arbitration in 2001. The arbitrator passed an order dated December 20, 2002 rejecting the claim of our Company for refund of license fee and interest for the Black-Out Period aggregating to ₹ 3,992.90 million (after adjusting the balance amount in a separate matter). Our Company challenged the aforesaid award in the Delhi High Court which set aside the award on merit vide its judgment dated September 14, 2012. However, the Delhi High Court did not grant consequential relief of refund of the aforesaid amount and observed that our Company was entitled to take appropriate legal recourse under law for the recovery of the said amounts. A letter for recovery of the claim (including interest till September 14, 2012) has been filed with the DoT on November 6, 2012 and in case of failure to refund for adjustment with the future license fee payments made by our Company to the DoT. The DoT had replied vide letter dated December 26, 2012, to not adjust any dues arising out of any court order from the license fee.

The DoT filed an appeal against the order dated September 14, 2012 on February 8, 2013 before the Division Bench of the Delhi High Court. Our Company filed a writ petition before the Delhi High Court seeking refund of the amount with interest up to the date of payment made. The Delhi High Court vide its judgment dated May 11, 2016 dismissed the writ petition filed by our Company for the refund of the license fee paid for the ‘Black-Out Period’. Our Company filed an appeal against the judgment dated May 11, 2016 before the Division Bench of the Delhi High Court praying to set-aside the judgment dated May 11, 2016 of the Single Bench of the Delhi High Court to the limited extent and to allow the said writ petition filed in the Delhi High Court in 2013. Both the appeals, filed by our Company and the DoT, respectively have been tagged together for final hearing.

4. The DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of electromagnetic fields (“**EMF**”) radiation norms which, *inter alia*, included non-compliance or delay in submission of self-certificates, missing signage, self-certificate not provided in the format prescribed by telecommunication engineering centre and measurement of EMF radiation in base transmission stations. These demand notices have been challenged by our Company and Bharti Hexacom before the TDSAT which has granted interim stay in these matters. The matter is to be listed for final hearing.

5. The port charges payable by private operators to BSNL were modified by Telecommunication Interconnect (Port Charges) Amendment Regulations, 2007 dated February 2, 2007 (“**Port Charges Regulations**”). The Port Charges Regulations were challenged by BSNL before the TDSAT. The

TDSAT vide order dated May 28, 2010 set aside the Port Charges Regulations and directed the TRAI to look into port charges as afresh. Thereafter, the TRAI filed an appeal before the Supreme Court, which passed an interim order dated December 15, 2010, wherein it held that in respect of each additional port, the private operators have to provide the bank guarantee on the difference between the rate applicable between the 2001 and 2007 per port. The matter is pending before the Supreme Court on the point of jurisdiction.

The TRAI issued Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 on September 18, 2012 to be effective from October 1, 2012. The said regulations were challenged before the Delhi High Court by way of a writ petition. The Delhi High Court passed an interim order dated February 28, 2014 directing that BSNL shall raise the bills as per the Telecommunications Interconnection (Port Charges) (Second Amendment) Regulation, 2012. For the existing ports, our Company, Bharti Hexacom and Telenor gave an undertaking that in case the Court decides in favour of BSNL, our Company, Bharti Hexacom and Telenor shall pay the differential amount to BSNL along with the stipulated interest of 9% per annum. The matter is to be listed for final hearing.

6. Our Company has challenged the demand penalties imposed by local Telecom Enforcement Resource Monitoring cells, through 16 petitions against the Union of India for the alleged violations of subscriber verification guidelines which, *inter alia*, included alleged (i) discrepancies in entries pertaining to points of sale; (ii) sale of pre-activated SIM cards; (iii) forgery of documents; and (iv) bulk connections under same name. These matters are currently pending before the TDSAT, the Patna High Court and the Supreme Court, where interim stays have been granted in favour of our Company. The total amount of demand of penalties across various circles is approximately ₹ 1,036.34 million.

Further, Bharti Hexacom has challenged the demand penalties imposed by local Telecom Enforcement Resource Monitoring cells, through eight petitions against the Union of India for the alleged violations of subscriber verification guidelines which, *inter alia*, included alleged (i) discrepancies in entries pertaining to points of sale or subscriber database; (ii) forgery of supporting proof of identity and address on customer acquisition forms (“CAF”); (iii) violation of terms and conditions of license agreement and instructions issued by licensor; (iv) issuance of SIM cards on the basis of certificates issued by non-existing entities; and (v) sale of pre-activated SIM cards. These matters are currently pending before the TDSAT where interim stays have been granted in favour of Bharti Hexacom. The total amount of demand of penalties across various circles is approximately ₹ 410.53 million.

7. The DoT vide its order dated August 12, 2016 (“SUC Office Order”), *inter alia*, prescribed Spectrum Usage Charges (“SUC”) to be calculated at a rate based on weighted average for the spectrum held by telecom service provider across all access spectrum bands, including the Broadband Wireless Access (“BWA”) spectrum in 2300 MHz/2500 MHz band acquired during the 2010 auction, subject to minimum of 3% of AGR excluding revenue from wireline services. In terms of clause (iii) of the SUC Office Order, the SUC payable by the telecom service providers during Fiscal 2016 at the weighted average rate derived after taking into consideration the spectrum acquired through auctions in pursuance of Notice Inviting Application No. 1000/06/2016-WF and excluding the spectrum in 2300 MHz / 2500 MHz band acquired/allocated prior to Fiscal 2016, would be treated as the floor amount of SUC to be paid by the telecom service providers. Further, as per the SUC Office Order, in case there is reduction in AGR of the service provider, the floor amount of SUC will be reduced proportionately.

The amount of SUC payable by the operator to the DoT excluded the spectrum in 2300 MHz/2500 MHz acquired or allocated prior to Fiscal 2016 while calculating the floor amount of SUC to be paid by the operators. Our Company challenged the clause (iii) of the SUC Office Order where BWA spectrum is excluded, before the TDSAT vide telecommunications petition dated February 13, 2017 and sought (i) setting aside and quashing of the aforesaid clause; and (ii) passing an ad-interim order staying the operation of the aforesaid clause. The TDSAT vide interim order dated March 21, 2017, *inter alia*, stayed the operation of the aforesaid clause. This matter is currently pending.

8. The DoT issued a ₹ 500 million penalty notice on November 11, 2011 in relation to violation of terms and conditions of International Long Distance (“ILD”) service license by providing ILD services to a non-licensed entity Singtel by entering into agreement dated December 20, 2017. Our Company challenged the penalty notice before the TDSAT and the TDSAT quashed the penalty notice. The DoT, however, was granted liberty to proceed afresh. The DoT constituted a committee to grant hearing to our Company albeit without issuing any fresh show cause notice. This committee granted the hearing to

our Company. Our Company filed a written submission and on December 29, 2014 also requested the DoT to withdraw all the proceedings since the earlier show cause notice served was quashed by the TDSAT (and as such there was no existing show cause notice that survived).

With reference to the TDSAT judgment dated September 28, 2012 the DoT chose to issue a fresh show cause notice dated July 21, 2015 alleging violation of the terms and conditions of ILD license. Our Company submitted its response to the DoT on August 28, 2015 submitting, *inter alia*, that the fresh notice was also based on the similar ground, falls foul of the judgment of the TDSAT dated September 28, 2012 and should be withdrawn. The DoT, however, did not withdraw the notice and issued a notice for oral hearing. Our Company challenged the show cause notice before the TDSAT. The TDSAT vide its order dated August 8, 2017 permitted the DoT to proceed with oral hearing subject to the condition that no order will be passed. Accordingly, our Company appeared before the DoT's committee and was heard on the show cause notice on August 10, 2017. Pursuant to said hearing, a written representation was also made to the DoT on August 31, 2017. In the meanwhile, the TDSAT dismissed the petition on August 22, 2017 without going into the merits and granted liberty to our Company to challenge the final order of the DoT. The DoT, vide order dated November 14, 2018, imposed penalty of ₹ 500 million on our Company and issued a demand for the alleged violation of the license. Our Company challenged the order of the DoT before the TDSAT by filing a petition under Sections 14 and 14A of the TRAI Act on November 27, 2018 with letter of urgency for urgent listing on November 29, 2018. The TDSAT, vide its interim order dated November 29, 2018 stayed the demand notice. The DoT issued a fresh demand notice dated March 8, 2019 alleging that it is in continuation of the earlier demand dated November 14, 2018. The notice has been challenged by our Company before the TDSAT. The TDSAT vide order dated March 15, 2019 stayed the fresh demand dated March 08, 2019 issued by the DoT. The matter is pending.

9. The DoT vide circular dated June 29, 2012 imposed annual license fee on internet service providers and amended the definition of AGR in the ISP-IT license agreements to provisionally include all types of revenue from internet services for payment of license fee. The said circular of the DoT was challenged before the TDSAT in the matter titled Internet Service Providers Association of India and others vs. Union of India and another (Petition No. 429 of 2012) ("**ISPAI Matter**") and paragraph 2 of the said circular was set aside by the TDSAT vide its judgment dated October 12, 2012 thereby not allowing the Government to levy license fee on pure internet service revenues. Thereafter, the DoT issued the 'Guidelines for Grant of Unified License' dated August 19, 2013 and an amendment dated December 8, 2013 by which it permitted the existing ISP license holders to continue with their existing licenses without migration to new UL regime, but mandated migration of the licenses which are due for renewal to the UL regime. As our Company's ISP license was nearing its expiry, our Company applied for the UL, which was duly granted by the DoT. The TDSAT vide its interim order dated March 25, 2014 ordered that if the petitioner files an undertaking by March 27, 2014 that in case the petition fails, it would pay the full amount demanded by the DoT along with the interest as may be directed by the TDSAT, the petitioner's license will be provisionally extended till the disposal of the petition, however Company was not a party to this petition. Therefore, the petitioners therein were protected against the arbitrary and unlawful demand of the DoT of adding revenue earned from pure internet services in the AGR. The license agreement for UL was signed by our Company on October 16, 2014 with ISP Category 'A' Authorization which was effective from March 3, 2014. However, the UL regime also mandated the payment of license fee on pure internet services. This was challenged, *inter alia*, by CJ Online Private Limited, along with our Company ("**Petitioners**"), before the TDSAT alleging that the Government created a distinction between the existing ISP licensees and the licenses that came up for renewal forcing upon the latter category to pay license fee on pure internet services thereby discriminating amongst them, and that it is leading to non-level playing field between two set of ISP operators providing same services.

The TDSAT vide its order dated October 13, 2015 stayed the demand for license fees on pure internet services, subject to submission of undertaking within fifteen days that in case the petition fails, the Petitioners would pay the full amount demanded by the DoT along with interest as may be directed by the TDSAT. Our Company submitted such undertaking dated October 16, 2015. The matter is currently pending.

10. The terms of the licenses granted to telecom operators for maintaining and operating the cellular mobile services in 1994 required the operators to pay license fees and spectrum charges. However, such licenses did not contain any clause whereby the licensor was entitled to enhance the royalty/license fee *inter alia* for microwave spectrum. The DoT vide letter dated July 20, 1995 fixed royalty rates both for

GSM cellular mobile telephone service and for microwave links. By another letter of the same date the rates of license fee were also levied. Cellular Operators Association of India (“COAI”), an industry association of telecommunications service providers of which our Company is also a member, filed a petition before the TDSAT on February 24, 2001 questioning the legality thereof. The DoT vide its order dated September 22, 2001 made an offer to the licensees to accept royalty charges and withdraw the aforesaid petition pending before the TDSAT which the COAI agreed to and withdrew the said petition. In continuation of the order dated September 22, 2001, the DOT vide their order dated April 18, 2002 introduced the frequency based micro wave access and backbone rates.

The DoT had enhanced the micro wave charges by introducing the slab-wise rates based on the number of carriers in circulars dated November 3, 2006 and November 10, 2008 (earlier it was based on the allocated frequency). The COAI challenged the aforesaid DoT circulars in the TDSAT by filing the petition dated May 28, 2007. The TDSAT vide its order dated July 12, 2007 refused to pass any interim order and listed the matter for final hearing while allowing COAI to adjust the excess payments made in case the matter was decided in their favour. The TDSAT vide its order dated April 22, 2010 set aside the DoT circulars dated November 3, 2006 and November 10, 2008 and the petition was allowed. Thereafter the DoT filed a special leave petition before the Supreme Court, challenging the order of the TDSAT and the said special leave petition is currently pending for hearing.

11. *AGR matters:* The Government introduced a new package with effect from August 1, 1999, being the ‘Migration Package’ pursuant to the ‘New Telecom Policy 1999’ regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license. However, dispute arose for the constituent of the revenue (i.e. Gross Revenue and AGR) and, *inter alia*, pertains to:

- Inclusion of non-telecom revenue (such as interest, dividend, profit on sale of assets, IP1, etc.);
- Inclusion of items which are either not revenue primarily (such as insurance claim, forex gain, etc.) or are not revenue for our Company (such as principal to principal issue);
- Exclusion of items which reduces the revenue (such as bad debts, goodwill waiver, etc.); and
- Allowable deduction of pass through on paid basis (even though revenue is to be considered on accrual).

The definition of AGR was challenged by our Company along with certain other telecommunication service providers and COAI before the TDSAT. The TDSAT vide orders dated July 7, 2006 and August 30, 2007 (“**Orders**”) held that the license fee would be payable only on the revenues arising out of ‘licensed activities’ and not revenue arising out of activities outside the license. Thereafter, the DoT filed an appeal before the Supreme Court which by an order dated October 11, 2011 (“**AUSPI judgment**”), set aside the Orders and held that the TDSAT had no power to get into the validity of the definition and remitted the matter back to the TDSAT to decide by interpreting the terms and conditions of the license agreement. Subsequently, our Company filed a writ petition before the Kerala High Court and Bharti Hexacom before the Tripura High Court and both got a favorable stay.

Simultaneously, in the matter remanded to the TDSAT by the Supreme Court for interpreting the terms and conditions of the license agreement, the TDSAT vide judgment dated April 23, 2015 adjudicated the matters by interpreting the terms and conditions of license. Per the order the definition of ‘Revenue’ as provided in Accounting Standard AS-9 issued by the Institute of Chartered Accountant of India, is not in conflict with Clauses 19.1 and 19.2 of the license agreement defining gross revenue and adjusted gross revenue. The TDSAT also enunciated certain principles which need to be applied for inclusion and exclusion of any items to revenue for the purpose of license fees. Accordingly, the TDSAT set aside all demands for fresh computation in light of the findings, observations and directions made in the judgment of the TDSAT. While the DoT challenged the TDSAT’s judgment before the Supreme Court, our Company filed an appeal dated July 21, 2015 on limited grounds (challenging specific heads of revenue on the grounds that principles of AS 9 have not been applied uniformly). Telenor filed an application in March, 2016 to be impleaded as a necessary party in this appeal before the Supreme Court. The Supreme Court granted liberty to the DoT to file its response to the application filed by Telenor. The Supreme Court vide its interim order dated February 29, 2016 allowed the DoT to raise the demand as per their understanding with the condition that the demands raised will not be enforced

till the final decision of the matters pending before the Supreme Court. The matter is currently pending in the Supreme Court.

High Court of Tripura

Pursuant to the AUSPI judgment, Bharti Hexacom through a writ petition challenged the validity of the definition of the AGR in license agreement before the Single Judge of the Tripura High Court. The Single Judge vide judgment dated May 16, 2017 held that the Clauses 19.1 (Gross Revenue) and 19.2 (Adjusted Gross Revenue) of the license agreement are *ultra vires* Section 4 of the Telegraph Act and set aside the demands imposed on Bharti Hexacom by the DoT. Further, the DoT has been directed to levy license fee from Fiscal 2006 as per the recommendations of the TRAI made in September 2006. Aggrieved by the judgment passed by the Single Judge of the Tripura High Court, the DoT filed an appeal before the Division Bench of the Tripura High Court, which was admitted vide order dated November 27, 2018. The Division Bench stayed the operation of judgment dated May 16, 2017, subject to the condition that no coercive action will be taken including for the recovery of the amount on the basis of demand notice. The matter is currently pending.

High Court of Kerala

The Single Judge of Kerala High Court, on March 28, 2018, dismissed the writ petition filed by our Company. The Single Judge held that the license was not a statutory contract and the terms and conditions of an agreement could not be questioned on the basis that the same are arbitrary in violation of Article 14 of the Constitution of India as doctrine of fairness cannot be used for judging the contractual terms. The Single Judge further held that there was no law that prevented the state from making a bargain in a commercial contract. Accordingly, the Single Judge dismissed the batch writ petition. While dismissing the writ petition, the Single Judge directed the Government not to take any coercive steps for a period of one month or till the filing of appeal, whichever is earlier. Aggrieved by the judgment passed by the Single Judge of the Kerala High Court, our Company filed an appeal before the Division Bench of the Kerala High Court. The Division Bench of the Kerala High Court vide its order dated May 29, 2018 granted interim stay of the judgment appealed against and further allowed our Company to continue making payment as was being done throughout the period of license with respect to the telecom activities. The matter is currently pending.

Telenor along with another party filed petitions before the TDSAT on July 5, 2017 challenging the validity of the demand of license fee raised by the DoT for Fiscals 2007-08 to 2013-14, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT vide order dated July 10, 2017 stayed the demand raised by the DoT. Subsequently, the DoT filed its reply before the TDSAT in August, 2017. Telenor filed a rejoinder to the reply of the DoT on December 7, 2017. Further, Telenor along with another party filed another petition before the TDSAT in December, 2017 challenging the validity of the demand of SUC raised by the DoT, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT vide order dated December 14, 2017 stayed the demand. The matters are currently pending.

Out of total demand raised by DoT for the period from Fiscal 2007 to Fiscal 2015, the amount of ₹ 67,687 million with respect to AGR matters has been assessed to be a contingent liability on a consolidated basis as of December 31, 2018. Our Company evaluates the various AGR and special audit demands basis the merits of the case as determined on the extant laws and jurisprudence, applicable judicial orders / stays and consistency with our Company's past views on similar matters. Further, our Company re-assesses any of such matters in case of any change in the underlying facts, circumstances (including the change in law / jurisprudence).

12. *SMS Termination matters:*

TATA SMS Termination matter: Our Company and Bharti Hexacom filed a petition before the TDSAT against TTML and TTSL (collectively "**Tata Teleservices**") for recovery of SMS termination charges which was allowed by the TDSAT through a judgment dated August 30, 2012. Tata Teleservices have challenged the TDSAT judgment before the Supreme Court. The Supreme Court admitted the appeal of Tata Teleservices and further vide order dated October 17, 2012 ordered that if the appeal is allowed then our Company and Bharti Hexacom will have to refund the amount paid by Tata Teleservices along

with interest at the rate of 12% per annum. Tata Teleservices have made a payment of approximately ₹ 4,012 million post deduction of tax at source to our Company. The matter is currently pending.

Airtel SMS Termination matter: Our Company raised a demand on Airtel Limited (“**Airtel**”) towards SMS termination charge of approximately ₹ 245.89 million at ₹ 0.10 per SMS. This demand was challenged by Airtel before the TDSAT. The said petition was disposed of by the TDSAT vide its order dated September 24, 2012 with a direction to Airtel to retribute to our Company an amount that was suffered as loss by way of damages, *i.e.*, SMS termination charges at ₹ 0.10 per SMS on net inflow of traffic for the restitution period. Airtel challenged the TDSAT judgment before the Supreme Court which admitted the appeal, however rejected the interim prayer. Airtel filed another application before the Supreme Court seeking stay of recovery. The said application was dismissed by the Supreme Court vide order dated December 5, 2012. Airtel complied with the orders of the TDSAT and paid the SMS termination charges amounting to approximately ₹ 113 million. The matter is currently pending.

Reliance Communications SMS Termination matter: Our Company’s demand of approximately ₹ 118 million at ₹ 0.10 per SMS towards SMS termination charges was challenged by Reliance Communications Limited (“**Reliance Communications**”) before the TDSAT. The TDSAT vide interim order dated December 3, 2012 restrained us from disconnection of SMS services of Reliance Communications and directed Reliance Communications to pay 50% of the demanded amount at ₹ 0.10 per SMS from the date of filing of the petition. The interim order was challenged by Reliance Communications before the Delhi High Court. The Delhi High Court dismissed the writ filed by Reliance vide order dated January 21, 2013. The TDSAT vide judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. Reliance Communications challenged the TDSAT judgment before the Supreme Court which is tagged with other matters.

BSNL SMS Termination matter: Our Company raised a demand of approximately ₹ 434.6 million towards SMS termination charges on BSNL. Our Company filed a recovery petition before the TDSAT. The TDSAT vide judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. BSNL challenged the TDSAT judgment before the Supreme Court and the same was tagged with other matters. Our Company filed an execution petition against the judgment dated March 31, 2016 before the TDSAT for the recovery of the SMS dues. The said recovery petition was admitted by the TDSAT on April 4, 2019.

13. The DoT on December 23, 2011 directed the service providers, including our Company and Bharti Hexacom, to immediately stop providing 3G ICR services. Our Company, Bharti Hexacom and other service providers challenged the directions of the DoT before the TDSAT, which stayed the directions of the DoT vide orders dated December 24, 2011 and July 3, 2012 gave a split verdict and set aside the DoT’s directions. The DoT issued notices on September 28, 2012, threatening cancellation of licenses and imposition of a penalty of ₹ 3,500 million and also directed that the 3G intra-circle roaming services were to be stopped in the seven circles. Our Company challenged the notice before the Delhi High Court. The Delhi High Court disposed of the matter vide order dated October 3, 2012 directing the DoT to decide the matter after hearing our Company. The DoT in March, 2013 issued further order to immediately stop intra-circle roaming services and imposed a penalty of ₹ 3,500 million. As the TDSAT was not functional, our Company challenged the DoT order before the Delhi High Court. The Single Judge Bench of Delhi High Court stayed the DoT order vide order dated March 18, 2013. The stay order was challenged by the DoT before the Appellate Bench of Delhi High Court which allowed the appeal and vacated the stay granted to our Company vide order dated April 4, 2013. Our Company challenged the decision of the Appellate Bench of the Delhi High Court before the Supreme Court. The Supreme Court restored the protection against the order of penalty but at the same time restrained our Company from taking in any new subscribers on our intra-circle 3G roaming arrangement vide interim order dated April 11, 2013. The Supreme Court, on September 23, 2013 disposed the matter granting our Company the liberty to approach the TDSAT, while extending interim protection till December, 2013 and also requested the TDSAT to dispose of the matter as soon as possible, preferably, by the end of 2013. Subsequently, our Company filed a petition before the TDSAT. The TDSAT on April 29, 2014 allowed our Company’s petitions and quashed the DoT’s directions to our Company to stop service and the imposition of the penalty. The DoT filed an appeal against the order of the TDSAT before the Supreme Court seeking an interim order to restrain our Company from adding new subscribers. The Supreme Court admitted the appeal but declined the interim order prayed for by the DoT. The matter is pending before Supreme Court.

14. The DoT vide letters dated June 22, 2018 and June 26, 2018 levied a demand of ₹ 12,879.7 million on our Company towards one-time spectrum charge for GSM Spectrum in respect of Chennai service area for the extended period of the license from November 30, 2014 to September 27, 2021 pursuant to a WPC wing order dated December 28, 2012. Our Company vide letters to the DoT dated July 12, 2018 and December 24, 2018, respectively, provided a detailed response, stating its grounds for refuting the demand raised by the DoT and its rationale for withdrawal of such demand. Our Company has not received any response from the DoT on the aforesaid and the matter is currently pending. However, the DoT vide its letter dated April 10, 2019 granted in-principle approval for the merger of TTSL with our Company and Bharti Hexacom, subject to certain conditions which, among others, include a condition to securitize the one-time spectrum charge for GSM Spectrum in respect of Chennai service area. Our Company has challenged the conditions set forth under the DoT's letter dated April 10, 2019 granting in-principle approval.
15. The TRAI issued a show cause notice on September 27, 2016 to our Company alleging violations of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 and the provisions of the License Agreement in terms of Allocation of POIs to RJIL. Further, the TRAI on October 21, 2016 recommended a penalty of ₹ 10,500 million on our Company for the alleged violations mentioned above. A committee of the DoT, formed for the purpose of examining such the recommendation of the TRAI dated October 21, 2016 rejected the recommendations on April 5, 2017. Subsequently, the TRAI vide response dated May 24, 2017 reiterated its recommendation of the imposition of penalty on our Company. Our Company made its submissions before the DoT on December 21, 2017 and January 24, 2018. The matter is currently pending with the DoT.

Other Regulatory Matters involving our Company

1. Pursuant to the provisions of the "Guidelines for Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified License ("UL") on compromises, arrangements and amalgamation of the companies" dated February 20, 2014 ("**Transfer-Merger Guidelines**"), Airtel Broadband Services Private Limited ("**ABSPL**") notified the DoT on February 28, 2014 of its proposed scheme of amalgamation with our Company and its intention to merge its ISP licence along with its access spectrum with the UASL of our Company for four service areas, namely, Delhi, Mumbai, Haryana and Kerala. The Bombay High Court vide its order dated April 11, 2014 approved the aforesaid merger and our Company approached the DoT for taking the merger on record. After multiple correspondences between the DoT and our Company, the DoT vide its communication dated February 2, 2015 granted in-principle approval for merger of licenses between our Company and ABSPL, subject to fulfillment of conditions stated therein. Out of the conditions imposed by the DoT, our Company and ABSPL were aggrieved of the following three conditions and have challenged the same before the TDSAT: (i) demand for ₹ 4,360.9 million as additional entry fee; (ii) furnishing unconditional and unequivocal undertaking from our Company for payment of all demands which would be issued in future with respect to All India ISP License No.820-1106/ 010-LR dated March 15, 2012 issued to ABSPL; and (iii) demand for bank guarantee equivalent to one-time spectrum charge demanded by the DoT.

The TDSAT passed an interim order dated February 9, 2015, staying the imposition of the impugned conditions and permitted our Company to operationalize the spectrum subject to an undertaking without prejudice that in the event of the matter being decided against our Company, the demand of ₹ 4,360.9 million would be paid with interest as may be determined, within eight weeks of the date of such judgment. Further, the TDSAT, vide order dated May 19, 2015 directed the concerned authority of the DoT to record the merger subject to the outcome of the matter. The matter was heard before the TDSAT, which vide its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to extend the effective date of allocation of spectrum to offset the delay caused by the DoT. The TDSAT vide its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order on the demands raised by the DoT and directed the DoT to take the merger on record.

2. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 27, 2015 of its intention to merge with Augere Wireless Broadband India Private Limited ("**AWBIPL**") entailing the merger of AWBIPL's ISP and UASL with those of our Company. The Delhi High Court

vide its order dated December 19, 2016 approved the aforesaid scheme. The DoT vide its communication dated January 17, 2017 granted in-principle approval of merger of license of AWBIPL with our Company but imposed conditions which were challenged by our Company before the TDSAT. The conditions imposed *inter alia* included: (i) payment of ₹ 172.25 million (difference between the entry fee for UASL of Madhya Pradesh service areas and entry fee for ISP License); (ii) in case of judicial intervention in relation to demand raised for one-time spectrum charges, submission of bank guarantee equivalent to such one-time spectrum charges for the merging license; and (iii) submission of an unconditional and unequivocal undertaking by our Company as required by DoT to pay all future demands that may be raised in connection with the merging ISP license held by AWBIPL. The TDSAT vide its order dated January 25, 2017 stayed the impugned conditions and allowed our Company to operationalize the spectrum subject to our Company providing an undertaking without prejudice that in case the petition fails our Company shall pay ₹ 172.25 million along with interest as may be determined by the TDSAT within eight weeks from the date of judgment. The matter was heard before the TDSAT which vide its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT vide its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

3. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on March 2, 2017 of its intention to merge with Telenor, entailing the merger of Telenor's business and UL along with the service authorizations of Telenor pertaining to NLD, ILD and internet services with those of our Company. Subsequently, our Company filed a petition in NCLT Delhi for sanction of the aforesaid merger. NCLT Delhi vide its order dated March 8, 2018 granted sanction to the aforesaid scheme. The DoT vide its letter dated April 3, 2018 granted in-principle approval for the aforesaid merger, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included (i) that our Company submits a bank guarantee towards the demand for one-time spectrum charges of ₹ 14,990.9 million; (ii) clearance of all future demands that may be raised in connection with the merging ISP license held by Telenor; and (iii) submission of an unconditional and unequivocal undertaking by our Company to pay all past dues in relation to the merging entities. The conditions so imposed by the DoT were challenged by our Company before the TDSAT. The TDSAT vide order dated April 10, 2018 stayed the demand of ₹ 14,990.9 million made by the DoT and directed DoT to take the merger on record subject to our Company providing an undertaking without prejudice as demanded by the DoT in the impugned letter. The DoT preferred an appeal against the order passed by the TDSAT which was dismissed by the Supreme Court. Subsequently, on May 14, 2018, the DoT gave its approval for the merger of Telenor with our Company. The matter was heard before the TDSAT and while the TDSAT by an order dated March 19, 2019 quashed the demand raised by DoT towards entry fee in case of other merger matters that were tagged along with this matter, it did not address the prayers in its petition. Our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to issue the confirmation letter to our Company for taking the merger on record. The TDSAT vide its order dated April 4, 2019 admitted the review petition.
4. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 31, 2017, of its intention to merge with Bharti Digital and to merge ISP license of Bharti Digital (in Gujarat, Himachal Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West)) with our Company's UASL. NCLT Delhi vide its order dated July 4, 2018 sanctioned the aforesaid scheme of amalgamation and the DoT was approached for taking the merger on record. The DoT vide communication dated August 17, 2018 granted in-principle approval for the merger of our Company and Bharti Digital, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included: (i) payment of ₹ 1,856.25 million towards the difference between the entry fee; (ii) securing the demand of one-time spectrum charge for ₹ 14,412.7 million dues by way of bank guarantee; and (iii) submitting an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process. Our Company and Bharti Digital challenged the impugned conditions before the TDSAT and the TDSAT vide its order dated August 30, 2018 directed the DoT to take the merger on record and allowed our Company to operationalize the spectrum subject to our Company submitting an undertaking without prejudice before the TDSAT that in case the petition fails, it shall pay ₹ 1,856.25 million along with interest as may be determined by the TDSAT, within eight weeks of final judgment. The DoT had preferred an appeal against the TDSAT order dated August 30, 2018 before the Delhi High Court, which has been

dismissed by the Delhi High Court vide its judgment dated November 30, 2018. The matter was heard before the TDSAT which vide its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT vide its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

5. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company and Bharti Hexacom notified the DoT on May 22, 2018, of its intention to merge the consumer mobile business of TTSL with our Company and Bharti Hexacom (in Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh, Orissa, Punjab, Tamil Nadu (including erstwhile Chennai), Uttar Pradesh (E), Uttar Pradesh (W) and West Bengal and Rajasthan). NCLT Delhi vide its order dated January 30, 2019 sanctioned this composite scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT vide its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge of ₹ 71,559.30 million due, by way of bank guarantee; (ii) payment of an amount of ₹ 12,879.70 million to the DoT purportedly towards the alleged one-time spectrum charges for the erstwhile Chennai licensed service area; and (iii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid for the past periods and subject to outcome of the judicial process. Our Company and Bharti Hexacom have challenged the aforesaid conditions before the TDSAT. The matter will be listed for interim hearing.
6. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on April 18, 2018, of its intention to merge the consumer mobile business of TTML with our Company (in Mumbai and Maharashtra). NCLT Delhi vide its order dated January 30, 2019 sanctioned the scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT vide its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge for ₹ 10,425.10 million dues by way of bank guarantee; and (ii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process. Our Company has challenged the aforesaid conditions before the TDSAT. The matter will be listed for interim hearing.
7. **TRAI matters:**
 - I. **IUC-2015 matter:** Our Company and Bharti Hexacom ("**Petitioners**") have filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated February 23, 2015 ("**IUC-2015 Regulations**") before the Delhi High Court, *inter alia*, on the ground that which, *inter alia*, fixed MTC at ₹ 0.14 and FTC as 'nil' for local and NLD calls. The Petitioners have challenged the IUC-2015 Regulations, *inter alia*, on the following alleged grounds::
 - The ITC-2015 are *ultra vires* the TRAI Act and contrary to the object and purpose of Section 11 of the TRAI Act;
 - The consultation paper lacked transparency as the TRAI did not share the model used by it to determine the cost model for calculating Interconnection Usage Charges ("**IUC**");
 - The IUC-2015 are in violation of Articles 14 and 19(1)(g) of the Constitution of India to the extent it arbitrarily and in a non-transparent manner, fixes mobile termination charges ("**MTC**") for local and National long distance call at ₹ 0.14 per minute and fixed termination charges ("**FTC**") as 'nil'; and
 - The TRAI allegedly departed from its policy of work done and cost based principle in the IUC-2015. It fixed the FTC at 'nil' thereby allegedly completely ignoring its settled policy.

The matter is currently pending.

- II. *IUC–2017 matter*: Our Company and Bharti Hexacom (“**Petitioner**”) filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated September 19, 2017 (“**IUC–2017 Regulations**”) before the Bombay High Court on September 28, 2017, *inter alia*, on the ground that the IUC–2017 were arbitrarily, unreasonable, illegal, void, and in violation of Articles 14 and 19(1)(g) of the Constitution of India and were issued in a non-transparent manner, reducing the termination charge from ₹ 0.14 per minute to ₹ 0.06 per minute with effect from October 1, 2017 and thereafter to bill and keep, that is “nil” with effect from January 1, 2020. The Petitioner further alleged that the IUC–2017 Regulations were contrary to the provisions of the TRAI Act and TRAI’s International Calling Card Services (Access Charges) Regulations, 2014 and that IUC–2017 Regulations discouraged the competition, and were contrary to and there was a failure on the part of the TRAI to maintain transparency during the consultation process as the TRAI has to follow a cost based approach. The Petitioner prayed to issue writ, direction or order in the nature of Writ of Certiorari declaring the regulations dated September 19, 2017 *ultra vires* and quashing and setting aside the regulations and pass ad-interim/interim/ex-parte order in respect of the prayer. The Bombay High Court vide order dated September 29, 2017 refused to grant interim stay. This matter is currently pending
- III. *ITC–2018 matter*: Our Company has filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018 (“**ITC–2018 Regulations**”) which, *inter alia*, reduced the International Termination Charge (“**ITC**”) from ₹ 0.53 per minute to ₹ 0.30 per minute, before the Bombay High Court. Our Company challenged the ITC–2018 Regulations, *inter alia*, on the following alleged grounds that the ITC 2018 Regulations are:
- *Ultra vires* and contrary to the provisions of the TRAI Act;
 - In violation of Section 11(4) of the TRAI Act;
 - In violation of Articles 14 and 19(1)(g) of the Constitution of India; and
 - Inimical to the orderly growth of telecom industry, fair competition as well as consumer interest and thus were *ultra vires* the TRAI Act.

The matter is currently pending.

Proceedings involving moral turpitude or criminal liability on our Company

1. Mr. Jyoti Prasad Chandra (“**Complainant**”) filed a criminal complaint (“**Complaint**”) in September, 2011 under Sections 406, 418, and 420 read with Section 120(B) of the IPC before Additional Chief Judicial Magistrate, Barrackpore against our Company, the managing director of our Company, Indus Towers and other persons (collectively, the “**Accused Persons**”) in the Complaint. He alleged that pursuant to a leave and license agreement entered into with our Company dated June 9, 2007 (“**Leave and License Agreement**”), his land was acquired by the Accused Persons for the purpose of installation and maintenance of telegraph equipment, but said equipment was never installed by the Accused Persons. Further, he alleged that the Accused Persons defaulted on making monthly payments to the Complainant as provided under the Leave and License Agreement. On November 28, 2011 the Court of Judicial Magistrate-III, Barrackpore issued summons to the Accused Persons under Section 63 of the Cr. PC. Subsequently, our Company filed a petition under Section 482 of the Cr. PC before the Calcutta High Court challenging the criminal proceedings in the Trial Court. The Calcutta High Court issued an order on July 25, 2012 staying the proceedings before the Trial Court till further order. The matter is currently pending.
2. Mr. Md. Fazlur Rehman (“**Complainant**”) filed a complaint (“**Complaint**”) before the Court of Chief Judicial Magistrate, Dibrugarh on February 22, 2015 under Sections 406 and 34 of the IPC against the chief executive officer of our Company, alleging that our Company had advertised a scheme wherein, upon an online recharge of ₹ 449, through the website of our Company, internet data of 2.5 GB with a validity period of 30 days was provided. However, the Complainant claims that after doing the aforementioned recharge he received only 2 GB data with a validity period of 28 days. The Complaint was subsequently transferred to the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh, which took cognizance of the offences, alleged in the Complaint, vide order dated October 16, 2015. Pursuant to this, our Company filed a criminal petition under Section 482 of the Cr. PC before the

Gauhati High Court on April 4, 2016 for quashing of the Complaint. The Gauhati High Court vide orders dated April 4, 2016 and May 6, 2016 stayed the proceedings in the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh with respect to the Complaint. The matter is currently pending.

3. Mr. Shailesh Navalshankar Pandya (“**Applicant**”) filed application under Section 319 of the Cr. PC (“**Application**”) before the Judicial Magistrate, First Class, Vasai praying that our Company be added as accused in the regular case filed by the Applicant and that cognizance of offenses under Sections 420, 465, 467, 468, 471, and 474 read with Section 34 of the IPC be taken against our Company. The Applicant alleged that our Company, in collusion with its agents and hirelings, forged signature of the Complainant and prepared a rubber stamp of Bhakti Infotech Private Limited, a private company of which the Applicant is a director. Further, he alleged that our Company along with the other respondents mentioned in the Application also forged the Pan Card, electricity bill, memorandum of association and articles of association of Bhakti Infotech Private Limited, and by using these documents got 77 SIM cards issued in the name of Bhakti Infotech Private Limited without the consent, knowledge and permission of the Applicant, owing to which the Applicant suffered a loss of ₹ 1,250 million. Our Company filed a reply before the Judicial Magistrate, First Class, Vasai on September 29, 2016 denying the averments and seeking dismissal of the Application. Subsequently, our Company filed written arguments on record of the Court on March 16, 2017 and the matter is pending for orders on the Application.
4. Ms. Akansha Srivastava (“**Applicant**”) filed an application under Section 156(3) of the Cr. PC before the Chief Judicial Magistrate, Ghaziabad against our Company and certain officers of our Company (collectively the “**Accused Persons**”) alleging the commission of offences under Sections 323, 504, 506, and 406 of the IPC and Section 72 of the IT Act on August 24, 2006 claiming that owing to certain loopholes in the security network of our Company, personal and confidential information of her son such as billing address, call details, call duration, etc. were disclosed to other persons. Further, she alleged that when her son raised his grievances with the Accused Persons, they did not believe him and assaulted and threatened him. The Court ordered investigation basis the Police Report and took cognizance of the matter. The matter is currently pending.
5. Mr. Bishnu Prasad Mishra (“**Complainant**”), an ex-employee of our Company and Bharti Infratel, filed a complaint (“**Complaint**”) under Section 200 of the Cr. PC against our Company and its managing director, and Bharti Infratel, amongst others with the Sub-Divisional Judicial Magistrate, Bhubhaneshwar on December 2, 2014 for offences under Sections 477, 420, 415, 427, 426, 418, and 406 read with Section 34 of the IPC alleging *mala-fide* appropriation of EPF payments and variable pay due to him and seeking recovery of such arrears. The Sub-Divisional Judicial Magistrate, Bhubhaneshwar took cognizance of the offences vide order dated December 19, 2016. An application under Articles 226 and 227 of the Constitution of India read with Section 482 of the Cr. PC was filed before the Orissa High Court seeking to quash the Complaint and the order dated December 19, 2016, and the Orissa High Court stayed the proceedings before the Trial Court. The matter is currently pending.
6. Mr. K. Lakshmana Kailash (“**Complainant**”) filed criminal complaint before the Court of Additional Chief Metropolitan Magistrate-VI, Bangalore on August 28, 2008 under Section 190(A) read with Section 200 of the Cr. PC and Sections 197 and 203 of the IPC against our Company amongst others, alleging that our Company intentionally fabricated false evidence against the Complainant and misdirected the police investigation with respect to the offense of posting of derogatory remarks about Shivaji Maharaj on Orkut, a social media website in order to protect the person who actually posted such remarks. The Court of Additional Chief Metropolitan Magistrate-VI, Bangalore vide order dated September 5, 2009 took cognizance of the aforementioned offences and issued summons against our Company. Our Company filed a petition under Section 482 of the Cr. PC before the Karnataka High Court on September 15, 2009 seeking to quash the proceedings initiated by the order dated September 5, 2009. The Bangalore High Court stayed the proceedings before the Trial Court. The matter is currently pending.
7. Mr. V.S. Suresh (“**Complainant**”) filed a private complaint (“**Complaint**”) before the Metropolitan Magistrate-VII, Chennai against our Company and the erstwhile CEO of our Company, Mr. Rajiv Rajagopal (collectively “**Accused Persons**”). The Complainant also filed an FIR under Sections 292, 292A and 294 of the IPC, Sections 3, 4 and 6 of the Indecent Representation of Women Act, 1956 and Sections 2, 3 and 6 of Young Person (Harmful Publication) Act, 1956 alleging that our Company through their mobile services sent obscene messages soliciting the Complainant to purchase such

obscene pictures through his mobile service. The Accused Persons filed criminal original petitions under Section 482 before the Madras High Court seeking to stay the proceedings in the Complaint. The Madras High Court stayed the proceedings vide order dated July 29, 2013. The matter is currently pending.

8. The Delhi Development Authority (“**DDA**”) filed two criminal complaints before the Trial Court against our Company and others for misuse of property under Section 14 read with Section 29(2) of the Delhi Development Authority Act, 1957 (“**Act**”) with respect to sites situated at K-6, ground floor, NDSE II and C-657 New Friends Colony, New Delhi on September 27, 2002 and February 27, 2003 respectively. The DDA alleged that our Company installed a Remote Switching Unit in residential areas without taking advance permission at such sites, thereby violating the provisions of the Act. Our Company filed petitions under Section 482 of the Cr. PC on November 1, 2004 pursuant to which the Delhi High Court stayed the Trial Court proceedings in both criminal complaints vide orders dated November 4, 2004. The matters are currently pending.
9. Mr. Malik Mushtaq Ahmed (“**Complainant**”) filed a criminal complaint under Sections 406, 418, 420, 109, 120-B of Ranbir Penal Code (“**RPC**”) (applicable for the State of Jammu and Kashmir) in the Court of Judicial Magistrate of First Class, Pulwama against our Company, its managing director and other officials alleging non-activation of his mobile connection. Our Company filed a petition under Section 561-A of the Code of Criminal Procedure, 1989 (Jammu & Kashmir) before the Jammu and Kashmir High Court at Srinagar for dismissing the Complaint by the Complainant, and the Court stayed the proceedings before the Trial Court. The matter is currently pending.
10. Mr. Jawahar Lal Saini (“**Complainant**”) filed complaint (“**Complaint**”) before the Court of Judicial Magistrate, First Class, Jabalpur under Section 138 of Negotiable Instrument Act, 1881 read with Section 200 of the Cr. PC against an unnamed director of Bharti Cellular Limited along with Mr. Amit Agrawal, proprietor of Delta Telecom (collectively “**Accused Persons**”), alleging that Mr. Amit Agrawal represented to the Complainant that he was the authorized signatory/representative of Bharti Cellular Limited and entered into a Lease & License agreement with the Complainant on December 8, 2017 (“**Agreement**”) on behalf of Bharti Cellular Limited for establishment of transmission tower and took ₹ 0.2 million as security deposit from the Complainant. He further alleged that pursuant to no transmission site being established on the property of the Complainant, Mr. Amit Aggarwal issued two cheques for an amount of ₹ 0.27 million to the Complainant, which on presentation were dishonoured by the bank. The Judicial Magistrate, First Class, Jabalpur vide order dated April 25, 2008 issued summons to the Accused Persons. Our Company filed petition before the Madhya Pradesh High Court at Jabalpur under Section 482 of the Cr. PC for quashing the Complaint and setting aside the order of the Judicial Magistrate, First Class, Jabalpur vide order dated April 25, 2008. The matter is pending.
11. Mr. Nitin Jayantibhai Patel filed a criminal complaint before the Judicial Magistrate, First Class, Anand, at Gujarat under Sections 211 and 503 of the IPC on March 14, 2006 against our Company and an employee thereby alleging that our Company and its employee harassed him in order to collect outstanding dues owed by the Complainant to our Company. The Chief Judicial Magistrate, Anand vide order dated January 18, 2008, issued summons against our Company. The matter is currently pending.
12. The Patna Electricity Board Authority filed an FIR at Patna on March 13, 2006 against our Company along with other companies alleging defacement of the official property by putting their banner on electric pole of the Electricity Board without any authorization. The Court took cognizance under Section 3 of the Bihar Prevention of Defacement of Property Act, 1985 and issued summons on June 26, 2008. The matter is currently pending.
13. Mr. Iqbal Ahmed filed an original suit on April 23, 2007 seeking the declaratory injunction and the ownership of an impugned property and on September 23, 2008 an impugned complaint under Section 156(3) of the Cr. PC (“**Complaint**”) before the Chief Judicial Magistrate, Saharanpur (Uttar Pradesh) alleging that our Company through its managing director along with some other persons, have illegally taken possession of his land for installation of their tower. The magistrate vide order dated March 8, 2010 dismissed the Complaint under Section 203 of the Cr. PC holding the dispute to be civil in nature. Against the said order, a criminal revision was filed on August 11, 2010 and was allowed ex parte and the Court took cognizance under Section 447 of the IPC and issued summons on September 21, 2010. Against the order dated September 21, 2010 another revision complaint was filed on March 16, 2012 which was dismissed by the learned District Judge. The managing director of our Company filed a petition before the Allahabad High Court for quashing of the proceedings. The Allahabad High Court

stayed proceedings before the Trial Court. The matter is currently pending.

14. Mr. Rohit Sharma moved to the Court for passing of orders under Section 156(3) of the Cr. PC to register an FIR under Sections 65 and 66 of the IT Act read with Sections 403, 405 and 420 of the IPC alleging wrongful deduction of ₹ 52, ₹ 28, and ₹ 24 on May 16, 2015, July 28, 2015 and June 30, 2015 respectively. During investigation it was established that the deduction/charges were levied rightly and accordingly police filed a final report. The matter is pending for order of the Court.
15. The Municipal Corporation of Delhi filed a complaint (“**Complaint**”) before the Metropolitan Magistrate, Patiala House Court, New Delhi against our Company under Sections 461, 416, 417 and 430 of the Delhi Municipal Corporation Act, 1957 (“**Act**”) alleging misuse and violation of the aforesaid provisions of the Act with respect to premises situated at K-6, Ground Floor, NDSE-II, New Delhi. On November 27, 2007 the Metropolitan Magistrate, Patiala House Court, New Delhi passed ex-parte orders and a non-bailable warrant was issued. Consequently, our Company filed a petition under Section 482 of the Cr. PC before the Delhi High Court, which vide order dated January 11, 2019 stayed the matter. The matter is currently pending.
16. Mr. G.P. Singh (“**Complainant**”) filed a criminal complaint (“**Complaint**”) before the Court of the Chief Judicial Magistrate, Gautam Budh Nagar, against our Company and its chairman, alleging that his mobile number was transferred to someone else without his permission, as a result of swapping of his SIM card. The court took cognizance of the Complaint under Section 420 of the IPC and Section 66 of the Information Technology Act, 2000 and thereafter issued summons to our Company vide order dated July 2, 2011. Our Company challenged the issue of summons vide application under Section 482 of Cr. PC in January, 2012 before the Allahabad High Court, which subsequently stayed operation of the order dated July 2, 2011 through its order dated January 17, 2012. The matter is currently pending.
17. Three criminal complaints were filed by the Municipal Corporation, Cochin in the Police Stations at Ernakulum (Kerala) against our Company, alleging violation of provisions of Prevention of Damage to Public Property Act, 1984 and that it had laid underground cables without prior permission. The Police sought certain information from our Company, which our Company provided. The matter is currently pending.

Direct Tax Proceedings

1. Tax Deducted at Source (“**TDS**”) on income of Distributer: The Calcutta High Court vide order dated May 19, 2011 had upheld the order passed by the Income Tax Appellate Tribunal dated April 4, 2006, holding that the trade margin offered by our Company to its distributors in respect of pre-paid products such as SIM card and recharge vouchers, attracted the provisions relating to tax deductible at source under the Income-Tax Act. The Calcutta High Court further held that the relationship between our Company and its distributors was that of principal to agent and not of principal to principal. Our Company had filed an appeal against the Calcutta High Court judgment before the Supreme Court. The matter is currently pending before the Supreme Court.

The Karnataka High Court in a similar writ petition involving the same issue regarding assessment years 2005-2006 to 2008-2009, held vide judgment dated August 14, 2014 that “trade margins” do not attract provisions related to deduction of tax at source and that the relationship between our Company and its distributors is that of principal to principal and no commission is paid when our Company sells SIM cards to the distributors. The Karnataka High Court has allowed our Company’s appeal and set aside the orders of the Assessing Authority dated August 23, 2013. The Karnataka High Court remitted the matter back to the Assessing Authority in order to investigate how our Company has maintained its accounting books and how it treats the sale price and the sale discount and noting that if the accounts do not reflect payment of commission, then provisions for deduction of tax at source should not be attracted. The Income Tax Department filed an appeal against the Karnataka High Court’s judgment before the Supreme Court. The matter is currently pending before the Supreme Court and clubbed with the appeal filed by our Company against the judgment of the Calcutta High Court.

The Rajasthan High Court vide its judgment and order dated July 11, 2017 disposed off a bunch of income tax appeals wherein in some of the appeals assessee were the appellant and in some of the matters the Commissioner of Income Tax was the appellant. In all the matters pertaining to Bharti Hexacom, the Department had filed the appeals. The High Court dismissed the appeals filed by Department against Bharti Hexacom and held that there is no occasion to invoke provisions of Section

194H of Income-Tax Act as no amount has been paid by the assessee, Bharti Hexacom to its distributors.

Similar issue is pending at different stages in various other jurisdictions across the country before the Commissioners of Income Tax (Appeals) and Income Tax Appellate Tribunals and High Courts for our Company and Bharti Hexacom. The amounts involved in these matters were approximately ₹ 7,471 million for our Company and ₹ 591 million for Bharti Hexacom. Accordingly, our Company and Bharti Hexacom have paid various amounts under protest in this regard.

2. The Commissioner of Income Tax, Delhi – II (“CIT”) initiated proceedings under Section 263 of the Income-Tax Act directing the assessing officer to reopen the assessment proceeding against our Company for the Fiscal 2007-08 on grounds that the assessment order dated October 30, 2012 of Assessing Officer (“AO”) was erroneous and prejudicial to the interest of revenue vide order dated March 30, 2014. Our Company filed an income tax appeal before the the Income Tax Appellate Tribunal, Delhi Bench ‘A’, New Delhi (“ITAT”) challenging the order of the CIT dated March 30, 2014. While the challenge order of the CIT dated March 30, 2014 was pending before the ITAT, in accordance with directions of the CIT, the AO passed an order under Sections 263, 144C, and 143(3) of the Income-Tax Act on March 31, 2015 in respect of the assessment for the year 2007-08, alleging that our Company did not pay tax under Section 28(iv) of the Income-Tax Act, on the purported notional profit derived from our Company's transfer of passive infrastructure to Bharti Infratel. The AO taxed our Company's notional credit lying in the revaluation reserve being the difference between fair value of the investment in Bharti Infratel recorded in Company's books and the net worth of the undertaking transferred to Bharti Infratel as benefit arising in the course of business under Section 28(iv) of the Income-Tax Act. Accordingly the AO by its order dated March 31, 2015 raised a demand of ₹ 12,185 million. Subsequently vide order dated May 6, 2015 the ITAT allowed the appeal filed by our Company, setting aside the order of the CIT and holding that the issue had already been examined by the AO and dispute resolution panel at the time of passing the assessment order on October 30, 2012. Further, the ITAT held that in the absence of receipt of consideration for transfer, no notional sum can be attributed as consideration and hence issue of capital gain does not arise. The ITAT further held that, in the absence of any benefit or perquisite accruing to the assessee during the course of business and the impugned transfer being purely a capital transaction, the notional gain cannot be taxed under Section 28(iv) of the Income-Tax Act. The CIT has filed an appeal before the Delhi High Court against the order of the ITAT being ITA No. 864 of 2015. The Delhi High Court has admitted the appeal and the matter is pending. In the meanwhile, as a result of the order of the ITAT setting aside the order of the CIT passed under Section 263, the order of the AO passed in accordance with the orders of CIT, became futile. Therefore, our Company had also filed an appeal against the order of the AO dated March 31, 2015 before the CIT (Appeal). The CIT (Appeal) allowed the appeal of our Company and deleted the demand raised by the AO. The AO filed an appeal against the order of CIT (Appeal) before the ITAT, which is pending. The matters are thus pending before the Delhi High Court and the ITAT.

Indirect Tax Proceedings

1. Entry Tax: Several states, in exercise of their legislative powers under Entry 52 of List II of the Seventh Schedule to the Constitution of India, enacted laws which provided for levy of tax on the entry of goods into the state for sale, use or consumption therein. The constitutional validity of these legislations was challenged in different High Courts on various grounds. One of the major arguments was that the same were in violation of the constitutional right to freedom of trade and commerce enshrined under Article 301 of the Constitution of India and the levy did not pass the judicially evolved tests of being ‘compensatory’ in nature. It was also contended that the levies were in violation of Article 304(a) of the Constitution of India for being discriminatory in nature. Some of the High Courts had struck down the Legislations enacted by the respective States being *ultra vires*.

Certain constitutional aspects of Entry Tax were subsequently referred to the Nine Judge Constitutional Bench of the Supreme Court which vide judgment dated November 11, 2016 held that only such taxes which are discriminatory in nature are prohibited by Article 304(a) of the Constitution of India. It also held that the compensatory tax theory evolved in earlier rulings of the Court (basis which various High Courts ruled the levy to be unconstitutional) had no juristic basis and that there was no constitutional or juristic basis of ‘compensatory’ tax and that tax simpliciter is not covered under Article 301 of the Constitution of India as an impediment to free flow of trade and commerce between the States, etc.. Certain questions of law, including the question whether Entry Tax can be imposed by the States on the goods imported from outside the Country, etc., were left open by the Constitutional bench. Thereafter,

the regular Division Bench of the Supreme Court disposed of the matters arising from several States vide Order dated May 21, 2017, granting liberty to the assesseees to file fresh petitions before the respective High Courts, raising additional grounds in the light of the judgment of the Constitutional Bench.

Subsequently, in the matters arising from the states of Orissa and Kerala, the regular bench of the Supreme Court held that Entry tax could be and was legitimately imposed by the State on the goods imported from outside the country (settling one of the issues left open by the Constitutional Bench). In terms of the liberty granted by the Supreme Court, fresh writ petitions were filed by our Company, Bharti Hexacom, and Bharti Telemedia Limited in Uttar Pradesh, Kerala, Madhya Pradesh, Assam, Orissa, Chhattisgarh, Jharkhand, and Rajasthan (as may be applicable). The High Courts of Rajasthan, Uttar Pradesh and Kerala granted interim relief to our Company, Bharti Hexacom, and Bharti Telemedia Limited (as may be applicable). Our Company, Bharti Hexacom, and Bharti Telemedia Limited challenged the vires of the local legislations, *inter alia*, on grounds of being discriminatory.

The Allahabad High Court vide its common Judgment dated May 4, 2018, dismissed a bunch of petitions filed by several industries, upholding the vires of the Uttar Pradesh Entry of Goods Tax in to Local Area Act, 2017 (“**Act**”).

In Uttar Pradesh, a separate challenge against the demands issued by the tax department, was also raised by our Company on the issue of classification, involving a question as to whether the Main Switching Centers (MSC) and Base Transceiver Stations (BTS) (or Cell Sites) could be treated as a composite unit and classified as a ‘machinery’ under the said Act. On our Company’s appeal, the State Appellate Tribunal remanded the matter to the Assessing Authority for a fresh assessment taking into account the factor that MSC and BTS were capable of working as independent units. The Tribunal however held that Cell Site, MSC and BTS qualified as ‘machinery’, and to that extent our Company is aggrieved of the Tribunal’s order. A revision petition was filed by our Company, before the Allahabad High Court challenging the Tribunal’s order, which is pending. In the state of Bihar there is exposure for the period of Fiscal 2006 to June 2017 and our Company’s and Bharti Telemedia Limited’s challenge is pending before the Patna High Court. In various circles, certain amounts have deposited under protest with the department. The aforementioned matters, wherein Entry Tax legislations have been challenged by various industries across different High Courts are still pending to be decided by respective High Courts, except for the Allahabad High Court.

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. Our Company received a notice from the National Company Law Tribunal, Principal Bench at New Delhi (“**NCLT**”) vide application (“**Application**”) filed by M/s CPM India Sales & Marketing Private Limited (“**Applicant**”) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“**the Code**”) dated January 10, 2018, alleging that an outstanding operational debt of approximately ₹ 8.6 million is payable by our Company vide purchase orders to the Applicant, which remained unpaid despite serving demand notice under Section 8 of the Code. Our Company contested the Application, on the grounds, *inter alia*, that that the debt arising out of certain of the contested purchase orders was already paid and the other contested purchase orders are completely frivolous and vexatious and have been based on forged documents vide reply dated March 15, 2018. The matter is pending adjudication before the NCLT.
2. Mr. Anand Arya (“**Complainant**”), a subscriber of mobile services offered by our Company, filed a consumer complaint before the National Consumer Complaints Redressal Commission, New Delhi (“**Commission**”) on October 23, 2015, against our Company, alleging that the quality of services offered by our Company had been deteriorating since 2010 and more particularly from March, 2015 and owing to that the Complainant claimed that he had suffered extremely serious mental trauma and mental torture at least three times when there were medical emergencies. The Complainant sought damages to the tune of ₹ 448.2 million and demanded that our Company pay penalty to the rate of one thousand times the amount of mobile bills paid in 2015 by the Complainant which amounts to ₹ 11.73 million. Further, the Complainant also prayed that our Company be directed to deposit amount to the tune of ₹ 44,373.78 million in the Prime Minister’s relief fund. The Commission vide order dated November 24, 2015 issued show cause notice to our Company. Our Company filed its reply before the Commission on September 26, 2016. The matter is currently pending.

Proceedings involving material violations of statutory regulations by Telenor

1. The Supreme Court vide its judgment dated February 2, 2012, in *Centre for Public Interest Litigation v. Union of India & Ors.*, quashed the grant of licenses and allocation of spectrum of various licensees including Unitech Wireless. The judgment further directed TRAI to make fresh recommendations for grant of license and to allocate spectrum in all telecom circles in India by way of an auction. Subsequently, after the completion of such auction in November 2012 (“November Auctions”), Supreme Court vide another judgment dated February 15, 2013, directed all telecom operators, whose licenses were cancelled pursuant to the previous Supreme Court judgment dated February 2, 2012, to close down their services immediately, however the licensees who continued their operations post February 2, 2012, whether or not participated in the November Auctions, were ordered to pay the reserve price fixed by the Government. Telenor participated in the November Auctions and through the bid terms it was entitled to acquire and continue to operate the business of Unitech Wireless in the six circles of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh (east) and Uttar Pradesh (west), where Telenor was awarded the spectrum. The DoT also issued a letter of intent dated December 19, 2012 pursuant to which Telenor paid the auction price for the aforesaid six circles amounting to ₹ 13,260.32 million. Thereafter, the DoT issued a show cause notice dated November 17, 2014 for payment of reserve price amounting to ₹ 6,526.90 million in addition to interest payable on the said amount, for continuation of services until November 27, 2013 in the aforesaid six circles and until February 16, 2013 in the remaining circles. Later, the DoT reconsidered the demand amount specified in the aforesaid show cause notice and issued a demand notice dated September 22, 2016 for payment of ₹ 8,408.67 million that included interest amounting to ₹ 1,881.77 million, calculated for the period from the date of the aforesaid show cause notice until the date of this demand notice. Telenor and another party challenged this demand notice before the TDSAT which granted interim stay on the matter. While the matter was pending, the DoT issued a revised demand notice dated February 2, 2017 for payment of ₹ 7,701.58 million for the continued service wherein the principle amount was reduced from ₹ 6,526.90 million to ₹ 4,862.30 million, however the interest levied was increased, calculated from February 15, 2013 instead of November 17, 2013 (specified in the earlier demand notice). Telenor and another party challenged this revised demand notice before the TDSAT and obtained stay orders extending the interim protection. The matter is currently pending before the TDSAT for hearing.
2. For details of proceedings involving material violations of statutory regulations with regards to AGR matters of our Company with Telenor, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
3. For details of proceedings involving material violations of statutory regulations with regards to port charges matters by our Company along with Telenor, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
4. For details of proceedings involving the merger of our Company with Telenor, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.

Litigation involving our Subsidiaries

Bharti Infratel

Proceedings involving moral turpitude or criminal liability on Bharti Infratel

1. For details of proceedings involving moral turpitude or criminal liability on our Company along with Bharti Infratel, see “- *Litigation involving our Company – Proceedings involving moral turpitude or criminal liability on our Company*” on page 285.

Bharti Telemedia Limited

Proceedings involving material violations of statutory regulations by Bharti Telemedia Limited

1. Bharti Telemedia Limited filed a petition dated April 28, 2009 before the TDSAT for declaration that it is required to pay license fee on AGR basis and for direction to the Union of India (“UOI”) to calculate the license fee only from the licensed activities as per AGR. The TDSAT vide judgment dated May 28, 2010 *inter alia*, allowed the said petition and provided for license fee on AGR basis. Further, the TDSAT excluded certain items from purview of AGR such as taxes, installation charges, commission,

sale of set top boxes and accessories, subscription fees payable to broadcaster in respect of pay channel. The TDSAT in its order dated May 28, 2010 relied on the TDSAT order dated August 26, 2008 passed in the Tata Sky Limited vs. Union of India (“**Tata Sky matter**”). Thereafter, the Supreme Court admitted the appeal filed by the UOI challenging the TDSAT’s order dated May 28, 2010 which was tagged with the UOI’s appeal in the Tata Sky matter (Civil Appeal No. 3549 of 2009). The Supreme Court vide judgment dated October 11, 2011 (“**AUSPI judgment**”) set aside the TDSAT orders dated July 7, 2006 and August 30, 2007 *inter alia*, on the ground that the TDSAT had no jurisdiction to decide on the legality and validity of the license conditions including the definition of AGR in the telecom matter. With the aforesaid findings, the Supreme Court remanded the matter back to the TDSAT for adjudication.

The appeal filed by the UOI against the TDSAT judgment dated May 28, 2010 was allegedly erroneously tagged with telecom matter and remanded back to the TDSAT for fresh adjudication. The TDSAT on December 15, 2011 passed the order in the remanded matter that no demand (original or revised) would be enforced without leave of the TDSAT. The UOI made a statement that the DTH matter should be heard separately from the Telecom matters before the TDSAT and also stated that no demand was raised against Bharti Telemedia Limited. Subsequently, nearly two years later the UOI on March 19, 2014 raised a demand of approximately ₹ 2,985 million (including interest till March 2014) on account of short payment of license fee from Fiscal 2008-09 till Fiscal 2012-13 and the same had to be paid within 15 days on the alleged basis that Bharti Telemedia Limited was required to pay a license fee at 10% of the gross revenue. Bharti Telemedia Limited challenged the said demand before the TDSAT on April 2, 2014 and the TDSAT vide order dated April 4, 2014 granted the interim protection and directed that the UOI shall not take any coercive measure for realization of the said demand. Bharti Telemedia Limited was paying the license fee on AGR as per the TDSAT order dated May 28, 2010 whilst the UOI was seeking to levy license fee on the gross revenue of the DTH financials.

Tata Sky’s appeal along with the appeal filed by UOI pending before the Supreme Court and the interim applications filed by Bharti Telemedia Limited were listed on August 27, 2015. A statement was made on behalf of TATA Sky that the AUSPI judgment of 2011 (Telecom AGR) would apply for the DTH matter also and as such they wanted to withdraw their appeal. The Supreme Court dismissed the Tata Sky’s appeal and allowed the appeal filed by the UOI. Bharti Telemedia took a stand different from Tata’s stand, but the Hon’ble Supreme Court dismissed Tata’s appeal and the I.A.s filed by Bharti Telemedia and Sun TV, and directed that such dismissal is not to adversely affect the matters pending before the TDSAT. The TDSAT on January 11, 2018 adjourned the matter *sine die*.

Further, Bharti Telemedia Limited filed a writ petition before the Kerala High Court against the UOI and the TRAI in December 16, 2015, *inter alia*, seeking issuance of order or direction (i) issuing a writ, order or direction holding Clause 3.1.1 of the license agreement is in violation of Articles 14 and 19(1)(g) of the Constitution of India as it discriminates between similarly placed competing distribution platforms; (ii) holding and declaring that the powers of the DoT to charge license fee under Section 4 of the Telegraph Act is confined only to revenue earned from licensed activities; and (iii) setting aside/quashing Clause 3.1.1 to the license agreement being *ultra vires* of Section 4 of the Telegraph Act to the extent that it includes revenue earned from non-licensed activities and expenses which are of a pass through nature. The Kerala High Court vide its order dated December 17, 2015 granted an interim relief as prayed in the petition, which was extended until further orders vide the Kerala High Court’s order dated February 18, 2016. The matter is currently pending.

Proceedings involving moral turpitude or criminal liability on Bharti Telemedia Limited

1. Onkar Entertainment Private Limited (“**Complainant**”) filed a criminal complaint (“**Complaint**”) before the Court of Additional Chief Metropolitan Magistrate - VIII, Calcutta, alleging commission of offences under Sections 406 and 420, read with Section 120(B) of the IPC against Bharti Telemedia Limited and certain of its directors and officers, amongst others (“**Accused Persons**”) on December 6, 2017, claiming that the Accused Persons violated the agreement dated November 26, 2015 signed between our Company and the Complainant, by not providing the agreed upon DTH platform for the channel of the Complainant. The Court of Additional Chief Metropolitan Magistrate, VIII Calcutta took cognizance of the matter vide order dated December 16, 2017 and issued summons to the Accused Persons under Section 200 of the Cr. PC. Bharti Telemedia Limited filed a petition under Section 482 of the Cr. PC before the Calcutta High Court on May 4, 2018 to quash the proceedings and obtain stay of proceedings before the Trial Court, which was subsequently granted to it. The matter is pending.

Indirect Tax Proceedings

1. For details of Indirect Tax Proceedings with respect to Entry Tax matters against our Company along with Bharti Telemedia, see “- *Litigation involving our Company – Indirect Tax Proceedings*” on page 289.

Bharti Hexacom

Proceedings involving material violations of statutory regulations by Bharti Hexacom

1. For details of proceedings involving material violations of statutory regulations with regards to spectrum charges matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
2. For details of proceedings involving material violations of statutory regulations with regards to EMF matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
3. For details of proceedings involving material violations of statutory regulations with regards to port charges matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
4. For details of proceedings involving material violations of statutory regulations with regards to CAF matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
5. For details of proceedings involving the transfer/merger of TTSL with our Company and Bharti Hexacom, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.
6. For details of proceedings involving material violations of statutory regulations with regards to the TRAI matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.
7. For details of proceedings involving material violations of statutory regulations with regards to AGR matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
8. For details of proceedings involving material violations of statutory regulations with regards to SMS termination matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.
9. For details of proceedings material violations of statutory regulations with regards to 3G ICR matter by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*” on page 275.

Direct Tax Proceedings

1. For details of Direct Tax Proceedings with respect to TDS on income of distributor proceedings against our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Direct Tax Proceedings*” on page 288.

Indirect Tax Proceedings

1. For details of Indirect Tax Proceedings with respect to Entry Tax matters against our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Indirect Tax Proceedings*” on page 289.

Bharti Digital

Proceedings involving material violations of statutory regulations by Bharti Digital

1. For details of proceedings involving the merger of our Company with Bharti Digital, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 282.

Bharti Airtel Lanka (Private) Limited

Proceedings involving moral turpitude or criminal liability on Bharti Airtel Lanka (Private) Limited

1. Twelve villagers (“**Petitioners**”) of the Bentota area filed a private plaint (“**Plaint**”) before the Magistrate’s Court of Balapitaya on May 29, 2013, pleading that the telecommunications tower (“**Tower**”) of Bharti Airtel Lanka (Private) Limited situated in Bentota to be switched off and removed, claiming that the Tower was dangerous and was causing damage to their houses by lightning. The Petitioners further alleged that Bharti Airtel Lanka (Private) Limited had not adhered to the usual telecommunications tower construction policies by not taking approval for the construction from the Urban Development Authority of the area and not taking steps to protect the neighbourhood. Bharti Airtel Lanka (Private) Limited filed their reply to the Plaint stating that they had adhered to all the processes with regard to a telecommunication tower construction and that having a telecommunications tower protects the neighbourhood from direct lightning. In order to prove its taken position, Bharti Airtel Lanka (Private) Limited produced before the Court, the documents including all approvals obtained from authorities to construct the Tower, witnesses from the Telecommunications Regulatory Commission of Sri Lanka, Central Environment Authority of Sri Lanka, and the expert evidence of a former director of the Meteorology Department of Sri Lanka. The matter is currently pending for order on May 23, 2019.

Airtel Congo S.A.

Indirect Tax Proceedings

1. Airtel Congo S.A. underwent a general accounting audit for the Fiscals 2012, 2013 and 2014. On November 7, 2016 as a result of this verification, the tax authorities made a notification of adjustments amounting to XAF 57 billion for IRVM and VAT. On December 22, 2016 Airtel Congo S.A. made a protest against the notification. On September 24, 2018 the services tax authorities maintained the charges against Airtel Congo S.A.. On October 3, 2018 the DGE of Brazzaville issued a notice of assessment (AMR) demanding from Airtel Congo S.A. the payment of an amount of XAF 85 billion. On November 5, 2018 Airtel Congo S.A. applied for a waiver of the guarantee deposit of administrative fees before the Minister of Finance. On November 22, 2018 the Minister of Finance granted Airtel Congo S.A. a waiver of the guarantee deposit and processing fees. On November 27, 2018 Airtel Congo S.A. filed an application to the Tax Managing Director to seek arbitration over disagreements between his internal services and Airtel Congo S.A..

Airtel Congo RDC S.A.

Proceedings involving material violations of statutory regulations by Airtel Congo RDC S.A.

1. Airtel Congo RDC S.A. (“**Claimant**”) was initially subject to three tax assessments seeking the payment of 1,459,523.53 USD (which amount has been determined as per the conversion rates prevailing as on the date of the demand was raised) for the alleged implementation of new versions of 3G technology without the requisite license. The Claimant on March 20, 2018 brought an application against the government of D.R. Congo, the DGRAD Tax authority and the Principal Collector (“**Respondents**”) to the Court in order to obtain a rebate of the aforementioned amount sought from the Claimant along with a counterclaim of USD 1,000,000 in damages. The Claimant argued that the tax assessments were illegal since they were not based on a piece of legislation enacted by the Congolese national parliament that was in force at the time of the taxation. The Claimant further argued that based on the applicable legislation on the matter, there is no tax base for the taxation made by the administration in light of the terms and conditions of the license granted to the Claimant by the government. All the pleadings were entered. The matter was heard by the Court on June 26, 2018 and sent to the Public Prosecutor’s Office for its legal opinion on the case before the Court’s final ruling. The matter will be taken by the Court for its ruling on the case once the Public Prosecutor issues his

legal opinion on the case.

2. The Nederland British Company (NBC Sprl) (“**Claimant**”) sought a court injunction against Airtel Congo RDC S.A., Africell DRC, Vodacom Congo and Oasis (“**Respondents**”) on the ground that the Respondents were using spectrum which was allocated to the Claimant by provision of its license. The Claimant and the Respondents thereafter failed to settle the matter under the mediation of the Telecom regulator. The Claimant subsequently moved to seek a court order compelling the Respondents to pay USD 20,000,000 in damages. The Court delivered an injunction against the Respondents to cease the usage of the aforesaid spectrum on October 25, 2012 which was overruled by the Court of Appeal on June 7, 2013. The Claimant has not initiated any further proceedings as of date.
3. An action was taken by Airtel Congo RDC S.A. in protest against the debt and damages imposed by the General Secretariat for Posts, Telephones and Telecommunications (PTT). For details, see “*Risk Factors – Our Company is unable to trace certain litigation records pertaining to matters in which Airtel Congo RDC S.A. is involved*” on page 30.

Proceedings involving moral turpitude or criminal liability on Airtel Congo RDC S.A.

1. Mr. Nengbangba and another person (“**Claimants**”), two DRC local ex-officials filed a claim on August 19, 2018 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to reimburse a sum of USD 2,950 and to pay USD 1,000,000 in damages for the alleged fraudulent swaps of the Claimant’s SIM cards. The Court subsequently issued an investigation order to search Airtel Congo RDC S.A.’s premises and interview witnesses which have been appealed against by Airtel Congo RDC S.A. for violation of the constitutional right to a fair trial. The trial is pending for the appeal before the Supreme Court.
2. Mr. Lulunga Zihundula (“**Plaintiff**”) is the former landlord of Mr. Thomas Mayuma De Souza (“**Defendant**”), a former Airtel Congo RDC S.A. employee. The Plaintiff brought an action to Court in order to recover USD 900 of rent arrears which the defendant owed to the Plaintiff, who undertook garnishment procedures over the Defendant’s monies held by Airtel Congo RDC S.A. in order to recover these rent arrears and costs. The claim was granted by the Trial Judge along with legal cost of about USD 230. The Defendant challenged the garnishment procedure before the Tribunal the Grande Instance de Kinshasa/Gombe. On May 15, 2018 the Plaintiff brought an action against Airtel Congo RDC S.A. before the Trial Court in Kinshasa/Gombe for concealment and handling of the stolen goods arguing that Airtel Congo RDC S.A. should be held liable under civil law and responsible under criminal law. The Plaintiff sought damages for USD 150,000. At this stage pleadings were entered. A reopening of the debates has been ordered by the the Court due to the change among the judges and this decision has been notified to the parties on April 5, 2019. The next Court hearing is set for June 14, 2019.
3. Ms. Ndudi Bakambu (“**Claimant**”), a local DRC national filed an application on July 30, 2007 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to make a payment of USD 200,000 in general damages following a traffic accident allegedly caused by Airtel Congo RDC S.A.’s vehicle. Airtel Congo RDC S.A. moved to bring its insurer into the lawsuit as a third party defendant. Subsequently, the third party defendant initiated negotiations to reach an out of court settlement agreement with the Claimant. There is an on-going search at the registrar’s to verify whether a settlement agreement is recorded.
4. Mr. Alain Bassie (“**Claimant**”), an ex-employee served a notice on February 25, 2016 to Airtel Congo RDC S.A. and the then managing director and human resources manager (“**Respondents**”) purporting that the assignment letter received by the Claimant on March 11, 2013 was wrongfully backdated by the Respondents to December 26, 2012. The Claimant subsequently filed an application seeking USD 3,500,000 in damages. The matter is pending before the High Court of Kinshasa/Gombe.
5. Mr. Babel Mbaya (“**Claimant**”), an ex-employee of Airtel Congo RDC S.A. filed a complaint against Airtel Congo RDC S.A. and a local labour inspector (“**Respondents**”), alleging that the settlement agreement entered into on June 20, 2015 before the labour office is forged. The amount claimed in damages under the notice dated January 12, 2017 to the Respondents is USD 500,000. The High Court of Kinshasa/Matete rejected the claim, pointing the validity of the settlement agreement between the Claimant and Airtel Congo RDC S.A.. The ruling is yet to be notified to all the parties by the registrar.

6. Mr. Otiom Apiker (“**Claimant**”), an ex-employee of Airtel Congo RDC S.A. filed a complaint vide notice on June 26, 2013 to Airtel Congo RDC S.A. (civilly liable) and the then manager of the Claimant (“**Respondents**”), seeking a court order compelling the Respondents to make a payment of USD 45,000 in general damages. The Claimant accused the line manager of fraudulently adding 1,200 customer acquisition to the Claimant’s KPI in an attempt to reduce the Claimant’s chances to meet his monthly sales targets and obtain the related bonus. The Tribunal of Gombe dismissed the case on July 10, 2013 for lack of jurisdiction and the Claimant moved to file the complaint before the Tribunal of Ngaliema which ruling has been appealed by the line manager. The matter is pending before the Supreme Court.
7. Socoda (“**Claimant**”), a local copyright agency initiated a complaint vide notice dated September 18, 2018 to Airtel Congo RDC S.A., seeking to compel Airtel Congo RDC S.A. to pay an outstanding fee of USD 25,975 and USD 500,000 in damages for the alleged infringement of copyright, counterfeit, rebellion and forgery. The Claimant had filed the complaint to block the then impending dismissal of the civil lawsuit the Claimant brought against Airtel Congo RDC S.A., which sought to recover the aforesaid outstanding amount and obtain an attachment order in that respect. The Claimant’s civil lawsuit was nevertheless dismissed and the Claimant has not moved to continue the complaint before the High Court of Matadi as of date.
8. Following investigations led by the Prosecutor Office in 2016, the management of Airtel Congo RDC S.A. was summoned to explain gaps between the amounts declared in certain of its importation licenses and the value of goods eventually imported. The Prosecutor Office alleged that the said gaps amounted into illegal transfers of foreign currency made by Airtel Congo RDC S.A. to the range of USD 72,000,000. Airtel Congo RDC S.A. clarified to the Prosecutor Office that importation licenses are issued by banks based on the estimated value of proposed imports indicated by the importer prior to the importation of the said goods. Airtel Congo RDC S.A. further clarified that upon the effective importation of the goods, the banks are to issue updated importation licenses reflecting the value of the imported goods, subject to the Central Bank approval, and in accordance with the foreign exchange regulations in the Democratic Republic of Congo. Airtel Congo RDC S.A. proceeded to share the updated licenses issued by the banks in full to the Prosecutor Office. As of date the Prosecutor Office has not made any new demand with regard to its initial query and Airtel Congo RDC S.A. awaits the conclusion of investigation.

Indirect Tax Proceedings

1. Airtel Congo RDC S.A. vide letter no. 043 / CELTEL / DF / HK / 2012 dated February 13 2012, submitted a request to DGDA for reimbursement of the overpayment (undue) of excise tax for the period from April, 2011 to January, 2012 for the amount of CDF 6,727,140,247.29 (equivalent to USD 7,312,108.96) as excise duties on cellular communications. Airtel Congo RDC S.A.’s argument was based on the fact that its statements and payments of the excise tax were based on sales and not on the usage of minutes of communication as provided for in the Instruction given by the Minister of Finance through his letter number 317 / CAB / FINANCES / FIS / 2009 of March 5, 2009. In response to this request, DGDA, by its letters DGDA / DG / DGA.T / DG / 2012/3115 and DGDA / DG / DGA.T / DG / 2012/3116 on September 27, 2012 rejected this request for reimbursement, considering that the amount claimed by Airtel Congo RDC S.A. is a simple addition of the monthly balances of credits of its customers while the management of the stocks of the products sold to them is based on the sales of the time of call which constitute, in fact, products stored in their name and for which excise duties have already been paid. Also, for the DGDA, during the period from April to August 2011, Airtel Congo RDC S.A. had signed statements indicating the amount of minutes used. The fees was paid, not on the sale of appeal time, but rather on the use of credit. Comparing the data of the switch with those reported by Airtel Congo RDC S.A., according to the DGDA, there were 314,281,448 minutes of undeclared usage. Similarly, the DGDA found that, for the period from September, 2011 to January, 2012, Airtel Congo RDC S.A.’s monthly declarations did not provide the minutes corresponding to the fees to be paid. By applying the floor price issued by the Regulatory Authority for Posts and Telecommunications (ARPTC), the DGDA noted a discrepancy of 256,401,252 minutes used but not declared in comparison with the data of the switch. According to the claims of the DGDA, the two periods mentioned above gave a total of 570,682,700 minutes consumed but not reported corresponding to CDF 6,059,178,291.74 (plus penalty amount of CDF 181,775,348,742) of rights evaded.

The DGDA then drew up a draft report of an infringement in customs matters by which it blamed Airtel Congo RDC S.A. for “having subtracted products from the payment of excise duties for the period from April 2011 to January 2012 after a comparative analysis of the quantities of minutes taken from its

Switch and our Co declarations (validated by the main formalities of the DGDA / Kin-Ville) and taking into account the floor prices issued by the Regulatory Authority of Posts and Telecommunications in Congo (ARPTC)". It was followed by several working sessions with the DGDA to clarify this situation and Airtel Congo RDC S.A. took the following position:

- the report purporting to have been issued on June 12, 2012 was submitted for Airtel Congo RDC S.A.'s signature a year later in clear violation of the provisions of Article 84 of Ordinance-Law No. 007/2012 of September 21, 2012 on the Code which provides: "Excise offenses shall be recorded in the minutes to be drawn up on the spot or in the shortest possible time."
- DGDA's investigations in the period prior to June, 2012 came as a result of Airtel Congo RDC S.A.'s own claim for recovering the overpayment in respect of the excise duty during the period from April, 2011 to January, 2012.
- the DGDA's excise infringement report is irregular as to the date of its establishment and its lack of merit in accordance with the instructions of the Minister of Finance referred to above.

Referring to letter no.12466 / CAB / MIN / FINANCE / FIS / GK / 2012 dated December 26, 2012 of the Minister of Finance recommending to the DGDA that this litigation be settled according to common sense and equity in accordance with the tax base applied by the DGDA to all the mobile operators, Airtel Congo RDC S.A. had requested, by its letter number 228/12 / CELTEL / DF / HK / 2012 dated December 26, 2012, a reconciliation of the data. Further working sessions took place between Airtel Congo RDC S.A. and the DGDA on March 26, 2015, March 30, 2015 and March 31, 2015, where the parties agreed to close this claim file for the overpayment paid, by Airtel Congo RDC S.A.'s communication, its financial statements and any material filed by it with the ARPTC, the DGI or its auditors. Following an analysis of the documents filed by Airtel Congo RDC S.A. during the working session of March 31, 2015, the parties did not agree on the existence or otherwise of the overpayment of the excise duties claimed by Airtel Congo RDC S.A.. To date, no reminder has been recorded from either party to the point that this file can be considered classified. For details, see "*Risk Factors – Our Company is unable to trace certain litigation records pertaining to matters in which Airtel Congo RDC S.A. is involved*" on page 30.

Airtel Money RDC S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Money RDC S.A.

1. Mr. Christian Mupanda along with another person ("**Claimants**"), two local nationals of DRC filed a claim against the former director and manager of Airtel Money RDC S.A. and Airtel Money RDC S.A. ("**Respondents**"), alleging forgery by the Respondents of the Claimants' concept of electronic money wallet, seeking a court order compelling the Respondents to make a payment of USD 1,000,000 in damages and the cessation of any activity affecting the Claimant's rights. Vide judgement dated April 20, 2015, the High Court rejected the claim ruling that the alleged "*forgery was not proven in fact nor in law*". The appeal lodged by the Claimants against the above ruling was found admissible in part. The matter is pending the determination of the Supreme Court.

*Airtel Networks Kenya Limited ("**ANKL**")*

Proceedings involving material violations of statutory regulations by ANKL

1. On August 7, 2017 ANKL filed a suit against the Communications Authority of Kenya ("**Communication Authority**") seeking the following:
 - An order of Certiorari to quash the unlawful demand of USD 20,025,000 made by the Communications Authority. The Communications Authority stated that payment of the aforesaid amount was a condition precedent to the renewal of ANKL's radio frequency spectrum and operating licenses.
 - An order of Prohibition to prohibit Communications Authority from in any manner seeking to enforce the unlawful demand of USD 20,025,000.

- An order of Mandamus to compel Communications Authority to renew ANKL's Network Facility Provider License and issue ANKL the signed license terms and conditions.

The parties presented their respective legal arguments before the High Court on various dates. The High Court vide judgment dated December 18, 2017 held that the renewal of ANKL's license was not conditional on the payment of USD 20,025,000 as demanded by the Communications Authority. The High Court issued an order of Mandamus directing the Communications Authority to conclude the terms of the reserved Network Facility Provider License or such other documents confirming the renewal of the ANKL's Network Facility Provider License as well as the signed license terms and conditions. The Communications Authority filed a notice of appeal on January 24, 2018 and vide letter dated January 24, 2018 addressed to the Deputy Registrar of the High Court requested for typed copies of the court proceedings for the purpose of compiling the record of appeal. Although no purposeful steps have been taken to obtain the proceedings, the Communications Authority may be content to await the High Court to provide the typed proceedings. During this waiting period and notwithstanding inertia by the Authority, the proposed appeal is still within time. Rule 82 of the Court of Appeal Rules excludes from computation of time, the period taken by the High Court to type the proceedings. As a consequence of the failure by the Communications authority to comply with the order issued by the High Court on December 18, 2017, ANKL filed an application seeking that the Director General of the Communications Authority be cited for contempt of court. On June 6, 2018 ANKL filed the aforesaid application and served the application upon the Communications Authority of Kenya. The Communications Authority filed an affidavit in response to the application. The application is scheduled for mention on May 27, 2019.

Airtel Madagascar S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Madagascar S.A.

1. Ms. Rakotondrabe Lalatiana Maryse Yvonne ("**Claimant**"), a distributor, alleged that her SIM card was swapped by a dealer on the March 14, 2018 on the basis of a false identity card and without adequate verification. The dealer and Airtel Madagascar S.A. are the Respondents in this matter. The Claimant alleged that a sum of Ariary 4,165,917 (approx. USD 1,175) was stolen as a result from her Airtel money account. Airtel Madagascar S.A. reimbursed the above sum of Ariary 4,165,917 (approx. USD 1,175) to the Claimant following the court hearing held on the July 23, 2018. No charges were retained against the dealer by the court and the public prosecutor has appealed that decision. The matter is being transferred from the court of Maevatanana venue to the correctional court of Mahajanga. The legal proceedings are ongoing.
2. Mr. Wang Jing Xue, a local customer filed a complaint against Airtel Madagascar S.A., alleging that his mobile number was being used by a third party. Airtel Madagascar S.A. confirmed in writing on June 21, 2018 that the aforesaid mobile phone number was not used by another customer. There are no damages sought against Airtel Madagascar S.A.. The Economic Police investigation is ongoing.

Airtel Malawi Limited

Proceedings involving material violations of statutory regulations by Airtel Malawi Limited

1. In 2003, Mobile Telecommunications Company (MTC) bought Celtel International B.V in Sub-Saharan Africa inclusive of the then Sudan through a share purchase. For the sake of uniformity the trade name for all operations acquired by Mobile Telecommunications Company were changed to Zain in all operating countries except the Sudan. The 2010 takeover of the Zain Group by our Company is also in same format as the earlier. The Competition and Fair Trading Commission (CFTC) was of the opinion that it ought to have been notified about both transactions by virtue of Section 35 of the Competition and Fair Trading Act cap 48:09 of the Laws of Malawi. Thus, it issued an order to force notification on January 21, 2013. The above order was filed in the High Court of Malawi, Lilongwe District Registry and was made a Judgement of the Court on January 23, 2013. On January 30, 2013 Airtel Malawi Limited obtained an order staying the said judgement in order to proceed to a Judicial Review of the Competition and Fair Trading Commission decision. On December 5, 2013, the Lilongwe Commercial Court ruled in favour of our Company and Airtel Malawi Limited. On February 4, 2014 a notice of appeal was issued by the Respondents. On March 5, 2014, the Registrar gave its statement. On November 26, 2018 the Supreme Court set aside the order made by the High Court Judge on review on the basis that the Lilongwe Commercial Court did not have the jurisdiction in this matter. While our

Company and Airtel Malawi Limited are pursuing judicial review before the General Division of the High Court of Malawi, it had on February 26, 2019 filed on a without prejudice basis an application to the CFTC for its approval of the 2010 takeover by our Company. The application is pending consideration of the CFTC.

Bharti Airtel International (Netherlands) B.V.

Direct Tax proceedings

1. In March, 2018, TRA issued notice of assessments on Bharti Airtel International (Netherlands) BV with respect to CIT for the income years 2010 to 2016 and CGT for the income years 2005 and 2010. The total amount of tax assessed in these assessments is TZS 1,968,708,131,465. Bharti Airtel International (Netherlands) BV filed objections before the TRA against the CGT and CIT assessments in March, 2018. The CGT assessments were objected on various grounds including that Bharti Airtel International (Netherlands) BV was not in existence when the transaction between Celtel and Zain happened in 2005 and in the 2010 transaction, Bharti Airtel International (Netherlands) BV was the acquirer of shares and therefore cannot be assessed for CGT which is the liability of the seller. Further, no demand could be raised on the sellers for the reasons that (i) the law existing in 2005 and 2010 did not assign taxing rights for offshore acquisitions within Tanzania and various judicial precedents supported the principle; (ii) there was no transfer of shares of the local operating entity and the transactions involved transfer of shares of an entity incorporated and registered outside of Tanzania between two non-resident entities; (iii) periods assessed are time barred; and (iv) the acquisition was not a schemed transaction to facilitate undue tax benefits in Tanzania. The CIT assessments were objected on the grounds that Bharti Airtel International (Netherlands) BV is not a tax resident in Tanzania as Bharti Airtel International (Netherlands) BV is incorporated in Netherlands and its affairs are controlled and managed from Netherlands. In any case, tax has been accounted for on the services by way of withholding tax on gross basis. Bharti Airtel International (Netherlands) BV also filed a waiver request with the TRA in March, 2018 seeking waiver from the requirement of depositing the minimum tax (one-third of the demand amount) required under law before objections are admitted. In July, 2018, the TRA issued a letter granting a partial waiver and requiring Bharti Airtel International (Netherlands) BV to pay a minimum deposit equal to one-third of the principal tax only amounting to TZS 124,671,940,667. Bharti Airtel International (Netherlands) BV filed appeals with the Tax Revenue Appeals Board against the decision of the TRA for not granting full waiver. On January 24, 2019, the Tax Revenue Appeals Board issued Notice of Hearing to parties to the effect that the hearing of the appeals will be conducted from February 27, 2019 to March 1, 2019. The hearing was adjourned to March 27, 2019, and then further adjourned to June 12, 2019 in light of a comprehensive settlement under formalisation with the Government of Tanzania, which will result in a complete withdrawal of the CGT and CIT assessment raised by the TRA.

Airtel Networks Zambia PLC (“ANZ”)

Proceedings involving material violations of statutory regulations by ANZ

1. Mr. Macnicious Mwimba (“**Complainant**”) lodged a complaint against ANZ, claiming that ANZ had deceived internet users by providing internet services called unlimited daily plan/monthly plan which in the Complainant’s view was limited. The Board of Commissioners at the Commission investigated the complaint and found that ANZ had violated Section 46(1) read with Sections 45(a) and 47(a)(v) of the Competition Consumer Protection Act No 24 of 2010 (“**the Act**”). Upon ascertaining that ANZ had violated the aforementioned provisions of the Act, the Commission proceeded to warn ANZ. Being dissatisfied with the decision of the Commission, ANZ proceeded to lodge an appeal in the Tribunal, claiming that it had obtained all relevant approvals from its sector regulator ZICTA, before running the advertisement in question and that the Complainant in question had not taken the time to fully understand the product that he had purchased. The Complainant lodged an appeal against the decision of the Commission which had warned ANZ, claiming that ANZ was a perpetual offender of the Act and it ought to be fined. Further, the Complainant sought damages and compensation for the loss he had suffered. ANZ was able to successfully have the Complainant’s claim for damages and compensation struck out from the proceedings. However, on February 24, 2018, post hearing of the appeal, the Tribunal rendered its judgment, stating that by using the word ‘unlimited’ in the advertisement, ANZ’s conduct amounted to an unfair trading practice contrary to the provisions of the Act and that it had mislead its customers and failed to clearly outline the terms and conditions of the product in issue. The

Tribunal proceeded to fine ANZ a total sum of K 600,000. ANZ filed an appeal against the judgement of the Tribunal in the High Court for Zambia.

Airtel Tanzania PLC

Proceedings involving material violations of statutory regulations by Airtel Tanzania PLC

1. By a Compliance Decision dated April 20, 2018, the Tanzania Communication Regulatory Authority (“TCRA”) held Airtel Tanzania PLC in breach of certain provisions of the Electronic and Postal Communications Act, 2010 and imposed fines of TZS 418,987,500,000. Airtel Tanzania PLC wholly refuted these allegations as being contrary in fact and under law and filed an appeal challenging the TCRA decision before the Fair Competition Tribunal (FCT). The FCT has on November 27, 2018 dismissed the challenge on the basis that Airtel Tanzania PLC was unable to argue its challenge. Earlier the interim stay application was rejected by the FCT on the basis that FCT had no jurisdiction to order a stay. Airtel Tanzania PLC’s lawyers on January 11, 2019 filed an application asking that FCT review its decision to dismiss the matter since some issues like discovery were not addressed. The application came for mention on January 21, 2019 before the Registrar. The Tribunal ordered TCRA to file their reply within 7 days i.e. by January 28, 2019. The TCRA filed their reply on the said date asking the Tribunal to dismiss the Airtel Tanzania PLC’s application with costs. The matter was mentioned on January 29, 2019 wherein parties were informed that hearing will be by notice. The Application for review will be heard on May 2, 2019. In the interim, a comprehensive settlement is under formalization with the Government of Tanzania which will result in a complete withdrawal of this claim by the TCRA.

Tax liabilities of our Company and Subsidiaries

The direct tax proceedings have contributed ₹ 14,545 million to our contingent liabilities, on a consolidated basis, as of December 31, 2018. The indirect tax proceedings pertaining to customs duty, sales tax / service tax / VAT and entry tax have contributed ₹ 31,326 million to our contingent liabilities, on a consolidated basis, as of December 31, 2018.

Actions initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated

SEBI has not initiated any action against the entities operating in the securities market with which our Directors are associated. For details of such association of our Directors with securities market proceedings, see “Other Regulatory and Statutory Disclosures – Association of our Directors with securities market” on page 303.

GOVERNMENT AND OTHER APPROVALS

Our Company and its Subsidiaries provide various services to the customers under certain approvals, registrations, permits and licenses under the provisions of various laws and regulations. Such services include mobile telecom, tower infrastructure, broadband, digital TV etc. The requirement for the approvals may vary based on factors such as the legal requirements in the jurisdiction, both foreign and domestic, in which the service is being provided. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

The material approvals / licenses / service authorizations / registrations under which our Company and its Subsidiaries operate for conducting our business are:

1. Telecom Licenses:

- We are required to obtain the respective service licenses (Access, NLD, ILD, ISP, VSAT and others) under the Unified License granted by the DoT which is governed by the provision of the Telegraph Act, the Indian Wireless Telegraphy Act, 1933, the Telecom Regulatory Authority of India Act, 1997 and the IT Act, as amended or replaced from time to time or such other applicable Act.
- The Unified License contains various service authorizations under which telecom service providers can provide various services. Such service authorizations would include Access Service (*services such as voice, data, internet services including IPTV, Broadband Services and triple play i.e. voice video and data*), Internet Service, NLD service, ILD service, GMPCS service, PMRTS service, VSAT CUG service, INSAT MSS-R service, Resale of IPLC service.
- The validity of respective service licenses / Unified License is 20 years from the date of its execution.

2. Registration for setting up and operating towers: We are required to obtain registration as infrastructure provider category I from the DoT to establish and maintain the assets such as dark fibres, right of way, duct space and tower for the purpose to grant on lease / rent / sale basis to the licensees of telecom services licensed under Section 4 of the Telegraph Act..

3. DTH licenses:

- We are required to obtain the DTH license from the MIB in accordance with the provisions of the Telegraph Act and the Indian Wireless Telegraphy Act, 1933 to establish, maintain and operate DTH platform and provide DTH services throughout India.
- We are required to obtain the approval to set up teleport from the MIB under the Guidelines for Uplinking from India notified on December 5, 2011 to establish, maintain and operate uplinking hub (teleport) and provide teleport services throughout India.

4. Licenses for Payments Bank: We are required to obtain a license from the RBI under the Banking Regulation Act, 1949 in accordance with the Guidelines for Licensing of Payments Banks dated November 27, 2014 notified by the RBI to carry on payments bank business in India.

Our Company and its Subsidiaries have obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities, both Indian and foreign on the basis of their jurisdiction, which are required for carrying on their present business activities.

Further, except as mentioned in this section, as on the date of this Letter of Offer, there are no material pending regulatory and government approvals and no pending renewals of material licenses or approvals in relation to the activities undertaken by our Company and its Subsidiaries.

- I. There are no material approvals for which applications have been made by our Company or its Subsidiaries, but are currently pending grant from the relevant government or regulatory authority.**
- II. There are no material approvals which have expired and for which renewal applications have been made by our Company or its Subsidiaries.**

- III. There are no material approvals which have expired and for which renewal applications are yet to be made by our Company or its Subsidiaries.**
- IV. There are no material approvals required for which no application has been made by our Company or its Subsidiaries.**
- V. Material approval/licenses which will expire in Fiscal 2020 and will require renewal:**
1. Bharti Telemedia Limited, our Subsidiary, obtained extension of interim renewal of DTH license from the MIB which is now valid until June 30, 2019; and
 2. MIB granted permission to set up an uplinking hub (teleport) at Noida to Indo Teleports Limited (formerly Bharti Teleports Limited) on November 11, 2009 pursuant to the Grant of Permission Agreement signed between the MIB and Indo Teleports Limited (formerly Bharti Teleports Limited) on November 6, 2009. The permission is valid until November 10, 2019.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on February 28, 2019 pursuant to Section 62 of the Companies Act.

Our Board in its meeting held on February 28, 2019 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 220 per Rights Equity Share (including a premium of ₹ 215 per Rights Equity Share) aggregating up to ₹ 249,390.04 million. The Issue Price of ₹ 220 per Rights Equity Share has been arrived at, in consultation with the Lead Managers, prior to determination of the Record Date.

This Letter of Offer has been approved by our Board pursuant to its resolution dated April 19, 2019.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated March 22, 2019 and March 20, 2019, respectively.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoter or our Directors are associated as promoter or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

Other than (i) Mr. Dinesh Kumar Mittal who is a director on the board of directors of HSBC Asset Management (India) Private Limited, which is a SEBI registered portfolio manager, and (ii) Mr. Manish Santoshkumar Kejriwal who is a designated partner of Kedaara Capital Advisors LLP which is the investment manager of Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1, SEBI registered alternate investment fund; a nominee to designated partner of Kedaara Capital Fund II LLP, a SEBI registered alternate investment fund; and nominee of Kedaara Capital Fund II LLP in Kedaara Capital Alternative Investment Fund II which is a feeder fund for Kedaara Capital Fund II LLP, also a SEBI registered alternate investment fund, none of our Directors are associated with the securities market in any manner. SEBI has not initiated any action against HSBC Asset Management (India) Private Limited, Kedaara Capital Advisors LLP, Kedaara Capital Fund II LLP and Kedaara Capital Alternative Investment Fund II.

Prohibition by RBI

Neither our Company, our Promoter nor our Directors have been or are identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date.
2. The reports, statements and information referred to above are available on the websites of BSE and NSE.
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 6, 2019 WHICH READS AS FOLLOWS:

- (1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;**
- (2) **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

- (a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE. THE REGISTRAR TO THE ISSUE’S REGISTRATION IS HELD BY THE REGISTRAR UNDER THE NAME KARVY COMPUTERSHARE PRIVATE LIMITED, AND THE SEBI HAS, PURSUANT TO AN E-MAIL CONFIRMED THAT THE REGISTRATION SHALL CONTINUE TO REMAIN VALID FOR THE REGISTRAR, IN VIEW OF THE AMALGAMATION OF KARVY COMPUTERSHARE PRIVATE LIMITED INTO THE REGISTRAR, UNTIL IT OBTAINS A FRESH REGISTRATION, UPON SEBI GRANTING IT PRIOR APPROVAL FOR THE CHANGE IN ITS SHAREHOLDING PATTERN RESULTING IN A CHANGE IN CONTROL OF KARVY COMPUTERSHARE PRIVATE LIMITED, AFTER OBTAINING THE PREVIOUS REGISTRATION TRANSFERRED IN ITS NAME.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE
- (5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. – NOT APPLICABLE.
- (6) ALL APPLICABLE PROVISIONS SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. – NOT APPLICABLE.
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER’S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR’S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER’S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE.

- (8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SEPCIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE ‘MAIN OBJECTS’ IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH
- (10) A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT INVESTORS SHALL BE GIVEN AN OPTION TO RECEIVE THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE. COMPLIED WITH. IN THE EVENT ALLOTMENT IS MADE SUBSEQUENT TO MAY 10, 2019, THE LETTER OF OFFER WILL BE SUITABLY MODIFIED.
- (11) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER: COMPLIED WITH
- (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
- (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI.
- (12) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. NOTED FOR COMPLIANCE.
- (13) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INSTITUTIONAL TRADING PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. NOT APPLICABLE

The filing of this Letter of Offer does not, however, absolve our Company from any liabilities under the Companies Act or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Managers any irregularities or lapses in this Letter of Offer.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in

any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

BSE Limited (the “**Exchange**”) has given, vide its letter dated March 22, 2019 permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/20282 dated March 20, 2019, permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer and CAFs and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer and CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S and in the United States to QIBs in transactions exempt from the registration requirements of the US Securities Act and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, the Abridged Letter of Offer and CAFs or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI for observations.

Accordingly, the Rights Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and CAFs or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders of our Company in offshore transactions outside the United States in compliance with Regulation S and in the United States to QIBs in transactions exempt from the registration requirements of the US Securities Act and will dispatch this Letter of Offer / Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch this Letter of Offer / Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer / Abridged Letter of Offer and CAFs.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S") AND

THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT) (“QIBs”) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD TO OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made (other than persons in the United States who are QIBs). Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States (other than from persons in the United States who are QIBs) or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, or (ii) it is a QIB in the United States, and, in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States (unless the CAF is submitted by a QIB in the United States); (ii) does not include the relevant certification set out in the CAF to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States (unless the CAF is submitted by a QIB in the United States), and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such CAFs.

NOTICE TO INVESTORS OUTSIDE THE UNITED STATES

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO THE COMPANY, RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE RULES AND REGULATIONS OF ANY SUCH COUNTRY OR JURISDICTION. THE ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IN THE OFFER WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER “RESTRICTIONS ON PURCHASES AND RESALES”.

Filing

The Draft Letter of Offer was filed with SEBI for its observations, at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI, and with the Stock Exchanges. Pursuant to receipt of SEBI's observations dated April 5, 2019, this Letter of Offer has been filed with the Designated Stock Exchange, the other Stock

Exchange and SEBI at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Mr. Rakesh Bharti Mittal, Mr. Manish Santoshkumar Kejriwal, Mr. Gopal Vittal and Mr. Dinesh Kumar Mittal. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc. The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue

Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited)

Karvy Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda Serilingampally
Hyderabad Rangareddi 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: bhartiairtel.rights@karvy.com
Investor Grievance E-Mail: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221*

** This registration is held by the Registrar under the name 'Karvy Computershare Private Limited', and SEBI has, pursuant to an e-mail confirmed that the registration shall continue to remain valid for the Registrar, in view of the amalgamation of Karvy Computershare Private Limited into the Registrar, until it obtains a fresh registration, upon SEBI granting it prior approval for the change in its shareholding pattern resulting in a change in control of Karvy Computershare Private Limited, after obtaining the previous registration transferred in its name.*

Compliance Officer

Mr. Rohit Krishan Puri

Deputy Company Secretary and Compliance Officer
Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase II, New Delhi 110 070
India
Tel: +91 11 4666 6100
E-mail: compliance.officer@bharti.in

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the ASBA Investors and Non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form is available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Also, see “Risk Factors – The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.” on page 58.

OVERVIEW

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association of our Company, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment advice or security certificate.

The RBI has granted banking license dated April 11, 2016 to Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments Bank Limited stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended its Articles of Association by insertion of article number 42A, to state that “No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons”.

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Rights Equity Shares which would not take their total shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any Application exceeds such limits, such Applicant would be required to submit a copy of the approval obtained from the RBI with the Application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue and the aggregate shareholding of the Applicant in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such Applicant to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such Applicant until necessary approvals are received from the Applicant or it may decide to Allot such number of Rights Equity Shares, that will limit the resultant aggregate shareholding of the Applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

Illustration: If an Investor ‘X’ is holding 3.5% of the pre-Issue paid-up share capital of our Company and applies for his/ her/ its (i) Rights Entitlement in the Issue, or (ii) Rights Entitlement in the Issue and additional Rights Equity Shares, and if pursuant to such Application the shareholding of X will exceed 5% of the post-Issue paid-up share capital of our Company, X will be required to obtain prior approval from the RBI for making the Application and submit a copy of such approval obtained from the RBI with his/ her/ its Application. In case, X

does not submit a copy of such RBI approval along with his/ her/ its Application, our Company may at its sole discretion (i) keep on hold the Allotment to X until such RBI approval is received from X, or (ii) decide to Allot such number of Rights Equity Shares to X that will limit the resultant aggregate shareholding of X to less than 5% of the post-Issue paid-up equity share capital of our Company.

The ASBA Facility

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations read with the provisions of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (the “2011 ASBA Circular”) and the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 (the “2009 ASBA Circular”), all Applicants/ Investors other than Retail Individual Investors must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with such eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see “*Terms of the Issue - Procedure for Application through the ASBA Process*” on page 318.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at all Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by SCSBs on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in the Issue and clear demarcated funds should be available in such account for ASBA applications.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on February 28, 2019 pursuant to Section 62 of the Companies Act.

Our Board in its meeting held on February 28, 2019 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 220 per Rights Equity Share (including a premium of ₹ 215 per Rights Equity Share) aggregating up to ₹ 249,390.04 million.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members as an Eligible Equity Shareholder in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer, Abridged Letter of Offer and CAF(s) only to Eligible Equity Shareholders who have provided an Indian address to our Company. The distribution of this Letter of Offer, Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer or the CAF. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 5.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 220 per Rights Equity Share (including a premium of ₹215 per Rights Equity Share) in the Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Managers and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 19 Rights Equity Share for every 67 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Terms of Payment

Full amount of ₹ 220 per Rights Equity Share is payable on Application.

The payment towards each Equity Share offered will be applied as under:

- (a) ₹ 5 per Rights Equity Share towards Equity Share capital; and
- (b) ₹ 215 per Rights Equity Share towards securities premium account of our Company.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted lesser number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be

refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 19 Rights Equity Shares for every 67 Equity Shares held as on the Record Date. For Equity Shares being offered on rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 67 Equity Shares or not in the multiple of 67 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds 68 Equity Shares, such Equity Shareholder will be entitled to 19 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his Rights Entitlement.

Further, the Eligible Equity Shareholders holding less than 4 (four) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Share and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties and the CAF with zero entitlement shall be non-negotiable/ non renounceable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association of our Company. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532454) and NSE (Scrip Code: BHARTIARTL). The Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within seven Working Days of the finalisation of the Basis of Allotment. Our Company has received in-principle approval from BSE through letter no. DCS/RIGHT/BA/FIP/3599/2018-19 dated March 22, 2019 and from NSE through letter no. NSE/LIST/20282 dated March 20, 2019.

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Subscription to the Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “*Capital Structure – Subscription to the Issue by our Promoter and Promoter Group*” on page 76.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of Rights Equity Shares shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to vote in person, or by proxy;
3. The right to receive offers for rights shares and be allotted bonus shares, if announced;
4. The right to receive surplus on liquidation;
5. The right of free transferability of Equity Shares;
6. The right to attend general meetings of our Company and exercise voting powers in accordance with law and unless prohibited by law; and
7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. In case an Investor holds Equity Shares in physical form, our Company would issue to the Allottees a single consolidated certificate for all the Rights Equity Shares Allotted to each folio (the “**Consolidated Certificate**”). Such Consolidated Certificates may be split into smaller denominations at the request of the respective investor. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

The nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all of the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Rights Equity Shares issued pursuant to the Issue. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages and obligations to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Shares, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Rights Equity Shares only in the event of death of all the joint holders. Fresh

nominations can be made only in the prescribed form available on request at the Registered and Corporate Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by our Board, elect either:

1. to register himself or herself as the holder of the Rights Equity Shares; or
2. to make such transfer of the Rights Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Rights Equity Shares himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be Allotted in the Issue under the same folio.

In case the Allotment of Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective DP.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialised form only and therefore the marketable lot is one Equity Share and no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation (Hindi being the regional language of Delhi, where our Registered and Corporate Office is situated) and/or, will be sent by post to the Indian address of the Eligible Equity Shareholders provided to our Company. However, the distribution of this Letter of Offer, Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis, including pursuant to the Issue, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Regulation 6 of the FEMA Regulations, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, *inter alia*, (i) subscribe for additional shares over and above their rights entitlement; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. **This Letter of Offer, Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investor has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

CAFs will be made available for eligible non-resident investors at our Registered Office and with the Registrar to the Issue. This Letter of Offer/ Abridged Letter of Offer and CAFs to non-resident investors shall be sent only to their Indian address, if provided, and any such documents shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

In case of change of status of holders *i.e.* from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying in the Issue.

PROCEDURE FOR APPLICATION

How to Apply

The CAF for the Rights Equity Shares offered as part of the Issue would be printed for all Eligible Equity Shareholders. The CAFs to non-resident Eligible Equity Shareholders shall be sent only to their Indian address, if provided, and shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and Indian address. However, if the Registrar receives any request for issue of duplicate CAF from Eligible Equity Shareholders having return addresses situated in the United States, the Registrar shall duly forward the requests to our Company and shall not be responsible for dispatch of duplicate CAF to such Eligible Equity Shareholders. In case the signature of the Investor(s) does not match with the specimen registered with our Company, the Application is liable to be rejected.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both the Applications.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations read with the provisions of the 2011 ASBA Circular and the 2009 ASBA Circular, all Applicants/ Investors other than Retail Individual Investors must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with such eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

CAF

The Registrar will dispatch CAF to the Eligible Equity Shareholders as of the Record Date. The CAFs to non-resident Eligible Equity Shareholders shall be sent only to their Indian address, if provided, and shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India. The CAF will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Eligible Equity Shareholders who have neither received the original CAF nor are in a position to obtain the duplicate CAF may participate in the Issue by making plain paper Applications. Please note that Eligible Equity Shareholders

making an application in the Issue using plain paper shall not be permitted to renounce any portion of their Rights Entitlement. For further details, see “*Terms of the Issue - Application on Plain Paper under ASBA process*” and “*Terms of the Issue - Application on Plain Paper under non-ASBA process*” on pages 320 and 330, respectively.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of the Issue, in full or in part, and for applying for additional Rights Equity Shares;

Part B: Form for renunciation of Rights Equity Shares;

Part C: Form for application of Rights Equity Shares by Renouncee(s); and

Part D: Form for request for Split Application Forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in the Issue, then such shareholder can:

- (i) Apply for their Rights Entitlement of Rights Equity Shares in full;
- (ii) Apply for their Rights Entitlement of Rights Equity Shares in part (without renouncing the other part);
- (iii) Apply for their Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- (iv) Apply for their Rights Entitlement in full and apply for additional Rights Equity Shares; and
- (v) Renounce their Rights Entitlement in full.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number or DP and Client ID number and his/ her full name and Indian address to the Registrar. However, if the Registrar receives any request for issue of duplicate CAF from Eligible Equity Shareholders having return addresses situated in the United States, the Registrar shall duly forward the requests to our Company and shall not be responsible for dispatch of duplicate CAF to such Eligible Equity Shareholders. Please note that the request for duplicate CAF should reach the Registrar at least seven days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found, as the case may be, subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company or the Registrar to the Issue or the Lead Managers will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Procedure for Application through the ASBA Process

The procedure for application through the ASBA process is set out below.

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective

directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application by the Eligible Equity Shareholders has been blocked in the relevant ASBA Account.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all Designated Branches of the SCSBs.

Self Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

1. hold the Equity Shares in dematerialised form as on the Record Date and are applying towards their Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
2. have not renounced any portion of their Rights Entitlements;
3. are not a Renouncee;
4. are applying through a bank account maintained with an SCSB; and
5. are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

All Investors other than Retail Individual Investors complying with the above conditions must participate in this Issue through the ASBA process only.

Acceptance of the Issue

ASBA Investors may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling up Part A of the respective CAFs sent by the Registrar, selecting the ASBA payment mechanism in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility.

ASBA Investors shall submit the CAF to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard for authorising such SCSB to block an amount equivalent to the amount payable on the application in their ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Applications (including CAFs and plain paper) with respect to any single ASBA Account.

Additional Rights Equity Shares

ASBA Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlement, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlement without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Terms of the Issue - Basis of Allotment*” on page 339.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can they renounce their Rights Entitlement.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper and the Eligible Equity Shareholders should submit the same with the SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be superscribed “Bharti Airtel Limited - Rights Issue” and should be postmarked in India. The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of the Company, being Bharti Airtel Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered DP and Client ID No.;
4. Number of Equity Shares held as on Record Date in dematerialised form only;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlement;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 220 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application from an Indian address, details of the NRE/FCNR/NRO Account such as the account;
13. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories);
16. Any approval obtained from the RBI where the Application will result in increase in shareholding of the Applicant in excess of 5% of the post-Issue paid-up Equity Share capital of our Company; and
17. Additionally, all such Applicants are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**") , except in an offshore transaction in compliance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered in offshore transactions outside the United States in compliance with Regulation S and in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("**QIBs**") in transactions exempt from the registration requirements of the Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States, except in each case to persons in the United States who are QIBs. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I am/ we (a)(i) not in the United States or (ii) a QIB in the United States and (b) in each case understand that neither us, nor the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States (other than QIBs) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. I/We satisfy, and each account for which I/we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

I/ We acknowledge that we, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.karvyfintech.com.

Mode of payment

The Investor applying under the ASBA process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the Application Money mentioned in the CAF until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Lead Managers and the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Lead Managers, our Company and the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar, our Company and the Lead Managers to the respective SCSB.

The Investors applying under the ASBA process would be required to give instructions to the respective SCSBs

to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application only on technical grounds as set forth hereinafter.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the CAF:

Sr. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (<i>All joint holders must sign in the same sequence</i>)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A of the CAF, including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (<i>All joint holders must sign in the same sequence</i>)

The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA option process in the CAF and provide necessary details as required. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then those CAFs would be treated as if the Eligible Equity Shareholders have selected to apply through the ASBA process option.

Option to receive Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA INVESTOR ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

- (a) Please read the instructions printed on the respective CAF carefully.
- (b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer and Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.
- (c) ASBA Investors are required to select ASBA option/mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.
- (d) In case of non-receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section “*Terms of the Issue - Application on Plain Paper under ASBA process*” on page 320.
- (e) The Applications in the ASBA process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the Application and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company or the Registrar or the Lead Managers.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and

the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.**

- (g) All payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.
- (i) In case of joint holders, all joint holders must sign the relevant part of the CAF / plain paper Application in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (j) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio numbers and CAF number. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant.
- (k) Only the Eligible Equity Shareholders to whom the Rights Equity Shares have been offered and not Renouncee(s) shall be eligible to participate under the ASBA process.
- (l) Only persons outside the United States and other restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (m) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through the ASBA process.
- (n) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.
- (o) Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations read with the provisions of the 2011 ASBA Circular and the 2009 ASBA Circular, all Applicants/ Investors other than Retail Individual Investors must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with such eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.
- (p) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all Designated Branches of the SCSBs.
- (q) Eligible Equity Shareholders are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (r) Applicants must submit a copy of the approval obtained from the RBI with the Application, in case the Application will result in increase in shareholding of the Applicant in excess of 5% of the post-Issue

paid-up Equity Share capital of our Company.

Do's:

- (a) Ensure that the ASBA process option is selected in Part A of the CAF and necessary details are filled in.
- (b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares applied for} X {Issue Price of Rights Equity Shares}) available in the ASBA Account mentioned in the Application before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form or plain paper Application.
- (g) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (h) Ensure that the name(s) given in the Application is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application.
- (i) Ensure that the demographic details such as address, bank account details for printing on refund orders and occupation (“**Demographic Details**”) are updated, true and correct, in all respects.
- (j) Ensure that the account holder in whose bank account the funds are to be blocked has signed the Application authorising such funds to be blocked.

Don'ts:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not apply on duplicate CAF after you have submitted a CAF nor submit the CAF after you have submitted a plain paper Application to a Designated Branch of the SCSB.
- (c) Do not pay the amount payable on application in cash, by money order, pay order or postal order.
- (d) Do not send your physical Application to the Lead Managers, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (f) Do not apply if the ASBA account has been used for five Applicants, for the issue of each instrument under the Issue.

- (g) Do not apply through the ASBA process if you are not an ASBA Investor.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under section “*Terms of the Issue - Grounds for Technical Rejections for non-ASBA Investors*” on page 338, Applications under the ASBA process are liable to be rejected on the following grounds:

- (a) Application on a SAF.
- (b) Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.
- (c) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (d) Sending an ASBA Application to Lead Managers, Registrar, Escrow Collecting Banks (assuming that such Escrow Collecting Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (e) Renouncee applying under the ASBA process.
- (f) Submission of more than five Applications per ASBA Account, calculated separately for each issue.
- (g) Insufficient funds are available with the SCSB for blocking the Application Money.
- (h) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- (i) Account holder not signing the Application or declaration mentioned therein.
- (j) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States or any other restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- (k) Applications which have evidence of being executed in or dispatched from any restricted jurisdiction.
- (l) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper Application.
- (m) Submitting the GIR number instead of the PAN.
- (n) Applications by persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (o) ASBA Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (p) Applications by Applicants ineligible to make applications through the ASBA process, made through the ASBA process.
- (q) ASBA Investors who have a bank account with an SCSB providing ASBA facility in the location of the ASBA Investors and the Application by the ASBA Investors is not made through that SCSB providing ASBA facility in such location.
- (r) Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

- (s) If an Investor is (a) debarred by SEBI or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.’

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA process should note that on the basis of name of these Investors, Depository Participant’s name and identification number and beneficiary account number provided by them in the CAF or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain Demographic Details from the Depository. Hence, Investors applying under the ASBA process should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the letters intimating unblocking of ASBA Account or refund (if any) would be mailed at the address of the Investor applying under the ASBA process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Investors applying under the ASBA process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the ASBA Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the ASBA Investor for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the ASBA Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Procedure for Application through Non-ASBA Process

This section is for the information of the Non-ASBA Investors proposing to subscribe to the Issue through the non-ASBA process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the non-ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations read with the provisions

of the 2011 ASBA Circular and the 2009 ASBA Circular, all Applicants/ Investors other than Retail Individual Investors must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with such eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form is available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Also, see “*Risk Factors – The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.*” on page 58.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares, either in full or in part, by filling up Part A of the CAF, and submit the same along with the Application Money payable to the Escrow Collection Bank or any of the collection centres as mentioned on the reverse of the CAF, before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Non-ASBA Investors at centres not covered by the collection branches of the Escrow Collection Bank can send their CAF together with the cheque drawn at par or a demand draft payable at Hyderabad to the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Managers or the Registrar shall be responsible for delay in the receipt of the CAF/SAF attributable to postal delays or if the CAF/SAF is misplaced in the transit. Such applications sent to anyone other than the Registrar are liable to be rejected.

In case of non-receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section “*Terms of the Issue - Application on Plain Paper under ASBA process*” on page 319. For further details on the mode of payment, see “*Terms of the Issue - Mode of Payment for Resident Investors*” and “*Terms of the Issue - Mode of Payment for Non-Resident Investors*” on pages 332 and 333, respectively.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for such Rights Equity Shares under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Terms of the Issue - Basis of Allotment*” on page 339.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by the Eligible Equity Shareholders to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Non-ASBA Investors who are Renouncees cannot further renounce their entitlement. Your attention is drawn to the fact that our Company shall not Allot and/or register the Rights Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce their Rights Entitlement in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce their Rights Entitlement in favour of persons or entities in the United States or to the account or benefit of a U.S. person (as defined in Regulation S) or to who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities law.

Procedure for renunciation

The following procedure applies to renunciation by the Eligible Equity Shareholders of their Rights Entitlement.

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce your Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or the whole to more than one Renouncee

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under the Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company or the Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker(s) to the Issue or any of the collection branches as mentioned on the reverse of the CAF on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Each Option

The summary of options available to you is presented below. You may exercise the following options, as applicable, with regard to the Rights Equity Shares offered, using the CAF:

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign in the same sequence</i>)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (<i>All joint holders must sign in the same sequence</i>)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your entire Rights Entitlement with respect to the Rights Equity Shares offered to more than one Renouncee	Fill in and sign Part D (<i>All joint holders must sign in the same sequence</i>) requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Rights Equity Shares, you wish to accept, if any, fill in and sign Part A. (ii) For the Rights Equity Shares, you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Rights Equity Shares, accepted by them.
4.	Renounce your Rights Entitlement in full to one person (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>All joint holders must sign in the same sequence</i>) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (<i>All joint Renouncees must sign</i>)
5.	Introduce a joint holder or change the sequence of joint holders.	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Equity Shares held in physical form, Applicants must provide information in the CAF as to their respective bank account numbers and name of the bank where their account is held, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Equity Shares held in dematerialised form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Options (3), (4) and (5) will not be available for Eligible Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid. No part of the CAF except Part C, may be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer/Abridged Letter of Offer/CAF has been addressed. If used, this will render the Application invalid.
- Request for each SAF should be made for a minimum of one Rights Equity Share, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.

4. Request by the Non-ASBA Investor for the SAF should reach the Registrar latest by the close of business hours on the last date of receiving requests for SAFs as provided herein.
5. Only the Eligible Equity Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
6. The SAF will be sent to the Non-ASBA Investor(s) by post at the Non-ASBA Investors' risk at their Indian addresses available with our Company.
7. Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable laws.
8. Submission of the CAF to the Escrow Collection Bank at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for use of the Renouncee(s) applying for Equity Shares in Part C of the CAF to receive Allotment of such Equity Shares.
9. While renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the CAF/SAF and in the same order and as per specimen signatures recorded with our Company or the Depositories.
10. *Non-resident Eligible Equity Shareholders:* Application(s) received from non-resident Eligible Equity Shareholder or NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares Allotted as a part of the Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a non-resident Eligible Equity Shareholder or an NRI has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
11. Non-ASBA Investors must write their CAF/SAF number at the back of the cheque/demand draft, issued in each case.
12. RBI has mandated that CTS 2010 standard non-compliant cheques can be present in clearing only in a reduced frequency, i.e., once a week. This may have an impact on timelines for the issuance of the final certificate by the Escrow Collection Banks. Hence, the CAF/SAF accompanied by non-CTS cheques could get rejected.

Application on Plain Paper under non-ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft payable at Hyderabad, net of bank and postal charges payable at par and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “*Terms of the Issue - Modes of Payment*” on page 332. Applications on plain paper from any address outside India will not be accepted.

The envelope should be superscribed “Bharti Airtel Limited - Rights Issue” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

1. Name of the Company, being Bharti Airtel Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/DP and Client ID No.;

4. Number of Equity Shares held as on Record Date;
5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred - physical or dematerialised form
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlement;
9. Number of additional Rights Equity Shares applied for, if any;
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ 220 per Rights Equity Share;
12. Particulars of cheque/demand draft;
13. Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
14. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
15. If the payment is made by a draft purchased from NRE or FCNR or NRO Account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account;
16. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories);
17. Any approval obtained from the RBI where the Application will result in increase in shareholding of the Applicant in excess of 5% of the post-Issue paid-up Equity Share capital of our Company; and
18. Additionally, all such Applicants are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**") , except in an offshore transaction in compliance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered in offshore transactions outside the United States in compliance with Regulation S and in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("**QIBs**") in transactions exempt from the registration requirements of the Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States, except in each case to persons in the United States who are QIBs. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I am/ we (a)(i) not in the United States or (ii) a QIB in the United States and (b) in each case understand that neither us, nor the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States (other than QIBs) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. I/We satisfy, and each account for which I/we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

I/ We acknowledge that we, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that Eligible Equity Shareholders who are making an application otherwise than on a CAF (i.e., on plain paper as stated above on page 330) shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such application amount to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, Lead Managers and our Directors. In cases where multiple CAFs are submitted, including cases where an Investor submits CAFs along with a plain paper Application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.karvyfintech.com.

Modes of Payment

A separate cheque/demand draft/pay order must accompany each Application.

All payments should be made by cheque/demand draft/pay order drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

In terms of the RBI circular (No. DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques will be processed in three CTS centres once a week from November 1, 2014 onwards. Investors are advised to use CTS cheques. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond 6 (six) working days from the Issue Closing Date.

Mode of payment for Resident Investors

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "Bharti Airtel – Rights Issue – Escrow Collection - R" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue or the Escrow Collection Banks or to the Registrar on or before the Issue Closing Date.
2. Investors residing at places other than places where the collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft payable at Hyderabad for the full application amount, net of bank and postal charges drawn in favour of "Bharti Airtel – Rights Issue – Escrow Collection - R", crossed 'A/c Payee only' and payable at par, directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Bharti Airtel Limited - Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

3. Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the Application Money must not be sent to our Company or the Lead Managers. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain application forms from the following address:

Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited)

Karvy Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda Serilingampally
Hyderabad Rangareddi 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: bhartiairtel.rights@karvy.com
Investor Grievance E-Mail: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221*

** This registration is held by the Registrar under the name 'Karvy Computershare Private Limited', and SEBI has, pursuant to an e-mail confirmed that the registration shall continue to remain valid for the Registrar, in view of the amalgamation of Karvy Computershare Private Limited into the Registrar, until it obtains a fresh registration, upon SEBI granting it prior approval for the change in its shareholding pattern resulting in a change in control of Karvy Computershare Private Limited, after obtaining the previous registration transferred in its name.*

Note: This Letter of Offer /Abridged Letter of Offer and CAFs to non-resident investors shall be sent only to their Indian address, if provided and any such documents shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

2. Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft payable at Hyderabad for the full application amount, net of bank and postal charges drawn in favour of "Bharti Airtel – Rights Issue – Escrow Collection - NR" crossed 'A/c Payee only' payable at par, in case of non-resident Investors applying on repatriation basis and in favour of "Bharti Airtel – Rights Issue – Escrow Collection - R" crossed 'A/c Payee only' payable at par, in case of non-resident Investors applying on non-repatriation basis, directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Bharti Airtel Limited - Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.
4. Payment by non-residents must be made by demand draft /cheque drawn on a bank account maintained with the Escrow Collection Banks or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Rupee drafts purchased from abroad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
2. By separate cheque/draft drawn on an NRE or FCNR Account;
3. By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at par;
4. FPIs registered with SEBI must utilise funds from special non-resident rupee account;

5. Non-resident investors with repatriation benefits should draw the cheques/ demand drafts payable at Hyderabad in favour of “Bharti Airtel – Rights Issue – Escrow Collection - NR” crossed “A/c Payee only” for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centres or to the Registrar;
6. Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO Account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained with the Escrow Collection Banks or Rupee draft purchased out of NRO Account maintained elsewhere in India. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
2. Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of “Bharti Airtel – Rights Issue – Escrow Collection - R” crossed “A/c Payee only” for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centres or to the Registrar;
3. Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO Accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
4. An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. The CAF duly completed together with the amount payable on application must be deposited with the Escrow Collection Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
4. In case of an Application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
5. Applications received from non-residents/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest and export of share certificates.
6. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts,

refunds and other disbursements, if any shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their Application Money through Rupee drafts from abroad, refunds and other disbursements, if any will be made in U. S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Applicant's bankers

General instructions for Non-ASBA Investors

- (a) Please read the instructions printed on the CAF carefully.
- (b) Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations read with the provisions of the 2011 ASBA Circular and the 2009 ASBA Circular, all Applicants/ Investors other than Retail Individual Investors must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with such eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.
- (c) Application should be made on the printed CAF, provided by our Company except as mentioned under the section "*Terms of the Issue - Application on Plain Paper under non-ASBA process*" on page 330 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's or husband's name must be filled in block letters.
- (d) The CAF together with the cheque or demand draft should be sent to the Bankers to the Issue or the Escrow Collection Banks or to the Registrar and not to our Company or the Lead Managers to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by demand draft of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

- (e) Except for applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income-tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- (f) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- (g) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The

Investors must sign the CAF as per the specimen signature recorded with our Company.

- (i) In case of an Application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under the Issue and to sign the Application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the Application submitted to the Bankers to the Issue.
- (j) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- (k) Application(s) received from NRs or NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and subsequent issue of Rights Equity Shares may be restricted by applicable securities laws.
- (l) All communication in connection with application for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and transfer agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
- (m) SAFs cannot be re-split.
- (n) Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
- (o) Investors must write their CAF number at the back of the cheque or demand draft.
- (p) Only one mode of payment per application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (q) A separate cheque or draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
- (r) No receipt will be issued for Application Money received. The Bankers to the Issue, the Escrow Collection Banks or the Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- (s) The distribution of this Letter of Offer and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

- (t) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (u) Applicants must submit a copy of the approval obtained from the RBI with the Application, in case the Application will result in increase in shareholding of the Applicant in excess of 5% of the post-Issue paid-up Equity Share capital of our Company.

Do's for non-ASBA Investors:

- (a) Check if you are eligible to apply, *i.e.*, you are an Eligible Equity Shareholder on the Record Date.
- (b) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are filled in.
- (c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (d) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.
- (e) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares) before submission of the CAF. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft of an amount net of bank and postal charges.
- (f) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.
- (g) Ensure that you mention your PAN allotted under the Income-tax Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.
- (h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- (i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- (a) Do not apply if you are in the United States or any other restricted jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.
- (b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.
- (c) Do not pay the amount payable on application in cash, by money order or by postal order.
- (d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (e) Do not submit Application accompanied with stock invest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the amount payable.
2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and transfer agent (in the case of physical holdings).
3. Age of Investor(s) not given (in case of Renouncees).
4. Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.
5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.
6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.
7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Letter of Offer.
8. CAFs not duly signed by the sole or joint Investors.
9. CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in the Issue.
10. CAFs accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
11. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.
12. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Rights Equity Shares in compliance with all applicable laws and regulations.
13. CAFs which have evidence of being executed in or dispatched from restricted jurisdictions.
14. CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided.
15. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.
16. In case the GIR number is submitted instead of the PAN.
17. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
18. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper Application.
19. Applications from ASBA Investors applying in the Issue for Rights Equity Shares, not through ASBA process.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully

followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Last date for Application

The last date for submission of the duly filled in CAF or a plain paper Application is May 17, 2019, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Banker to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section “*Terms of the Issue - Basis of Allotment*” on page 339.

Issue Schedule

Issue Opening Date:	May 3, 2019
Last date for receiving requests for SAFs:	May 10, 2019
Issue Closing Date:	May 17, 2019

For details, see “*General Information - Issue Schedule*” on page 69.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- (e) Allotment to any other person, including pursuant to any underwriting arrangement entered into by our Company, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the SEBI Takeover Regulations. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

The RBI has granted banking license dated April 11, 2016 to Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments Bank Limited stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended its Articles of Association by insertion of article number 42A, to state that "No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons".

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Rights Equity Shares which would not take their total shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any Application exceeds such limits, such Applicant would be required to submit a copy of the approval obtained from the RBI with the Application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue and the aggregate shareholding of the Applicant in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such Applicant to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such Applicant until necessary approvals are received from the Applicant or it may decide to Allot such number of Rights Equity Shares, that will limit the resultant aggregate shareholding of the Applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

Illustration: If an Investor 'X' is holding 3.5% of the pre-Issue paid-up share capital of our Company and applies for his/ her/ its (i) Rights Entitlement in the Issue, or (ii) Rights Entitlement in the Issue and additional Rights Equity Shares, and if pursuant to such Application the shareholding of X will exceed 5% of the post-Issue paid-up share capital of our Company, X will be required to obtain prior approval from the RBI for making the Application and submit a copy of such approval obtained from the RBI with his/ her/ its Application. In case, X does not submit a copy of such RBI approval along with his/ her/ its Application, our Company may at its sole discretion (i) keep on hold the Allotment to X until such RBI approval is received from X, or (ii) decide to Allot such number of Rights Equity Shares to X that will limit the resultant aggregate shareholding of X to less than 5% of the post-Issue paid-up equity share capital of our Company.

Allotment Advice or Refund Orders

Our Company will issue and dispatch Allotment advice or share certificates or demat credit and/or letters of regret, as the case may be, along with refund order or credit the Allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days period.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House (“NACH”) except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, the Allotment advice shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be kept ready within six months from the date of Allotment thereof under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form is available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Also, see “Risk Factors – The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.” on page 58.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor’s Indian address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of non-resident Investors who remit their Application Money through Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts in abroad and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Rupee amount into US Dollars. The share certificates will be sent by registered post or speed post to the Indian address of the non-resident Investors as provided to our Company where Allotment in physical form has been opted.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
2. National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”),

which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS – If the refund amount exceeds ₹200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to Non-residents

Where applications are accompanied by Rupee drafts purchased abroad, refunds will be made in Rupees based on the U.S. dollars equivalent which ought to be refunded. Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE or FCNR or NRO cheques, refunds will be credited to NRE or FCNR or NRO accounts, respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment Advice or Share Certificates or Demat Credit

Allotment advice or share certificates or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such Allotment advice (if any) to be exchanged later for share certificates.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form is available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Also, see “Risk Factors – The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, may be kept in abeyance.” on page 58.

Option to receive Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA INVESTOR ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Investor. Our Company has signed an agreement dated December 29, 2001 with NSDL and an agreement dated January 12, 2002 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In the Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Rights Equity Shares in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Equity Shares the Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical Rights Equity Shares. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to the Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares arising out of the Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.
5. The Rights Equity Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to

the Applicant's depository account.

6. Non-transferable Allotment advice/ refund orders will be directly sent to the Investors by the Registrar to the Issue.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the application is liable to be rejected. Our Company in consultation with the Lead Managers and the Designated Stock Exchange, may consider issuing such Rights Equity Shares in physical form, on a case to case basis.

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of a company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and the company and the investor will be required to comply with applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of the company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 74% of the total paid-up Equity Share capital of our Company, respectively. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 360.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, or unlisted debt securities or securitised debt instruments, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued or transferred to persons who do not satisfy the eligibility criteria of FPIs specified under Regulation 4 of the SEBI FPI Regulations. An FPI is also required to ensure that any transfer of offshore derivative instrument by it or on behalf of it, is made subject to conditions that (i) such offshore derivative instruments are transferred to persons subject to aforesaid conditions of issuance; and (ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by Regulation 5 of the FEMA Regulations. Applications will not be accepted from NRIs in restricted jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Regulation 5 of the FEMA Regulations read with Schedule 3 of the FEMA Regulations, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations read with the provisions of the 2011 ASBA Circular and the 2009 ASBA Circular, all Applicants/ Investors other than Retail Individual Investors must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with such eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

Section 447 of the Companies Act provides for punishment for fraud which, amongst other things, states punishment of imprisonment for a term which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which shall extend to three times of the amount involved in the fraud.

Disposal of application and Application Money

No acknowledgment will be issued for the Application Moneys received by our Company. However, the Bankers to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money received will be refunded. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications and to consider then similar to non-ASBA Applications while finalising the Basis of Allotment.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, the entire subscription monies shall be refunded to the Applicants within 15 days from the Issue Closing Date. If there is a delay in the refund of subscription money by more than 8 days after our Company becomes liable to pay the subscription amount, our Company shall pay interest for the delayed period, at rates prescribed under the Companies Act.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed “Bharti Airtel Limited - Rights Issue” on the envelope and postmarked in India) to the Registrar at the following address:

Karvy Fintech Private Limited (formerly KCPL Advisory Services Private Limited)

Karvy Selenium Tower B, Plot No. 31 & 32
Financial District, Nanakramguda Serilingampally
Hyderabad Rangareddi 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: bhartiairtel.rights@karvy.com
Investor Grievance E-Mail: einward.ris@karvy.com
Website: www.karvyfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221*

** This registration is held by the Registrar under the name 'Karvy Computershare Private Limited', and SEBI has, pursuant to an e-mail confirmed that the registration shall continue to remain valid for the Registrar, in view of the amalgamation of Karvy Computershare Private Limited into the Registrar, until it obtains a fresh registration, upon SEBI granting it prior approval for the change in its shareholding pattern resulting in a change in control of Karvy Computershare Private Limited, after obtaining the previous registration transferred in its name.*

The Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON PURCHASES AND REALES

GENERAL TRANSFER RESTRICTIONS

No action has been taken or will be taken to permit a public offering of the Rights Entitlement or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlement or the Rights Equity Share in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Equity Shares and Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are QIBs).

Accordingly, the Rights Entitlement or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlement or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlement or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

FOR INVESTORS IN THE UNITED STATES

The Rights Entitlement and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Neither receipt of this Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlement or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company.

All offers and sales in the United States of the Rights Entitlement and the Rights Equity Shares have been, or will be, made solely by our Company. The Lead Managers are not making, and will not make, any offers or sales of the Rights Entitlement, Rights Equity Shares or any other security with respect to the Issue in the United States.

The Rights Entitlement and the Rights Equity Shares may only be acquired by persons in the United States who are QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Rights Entitlement and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

Further, if you are in the United States, you may not exercise any Rights Entitlement and/or acquire any Rights Equity Shares offered hereby unless you are a QIB and have been invited to participate directly by our Company.

In addition, each person in the United States by accepting the delivery of this Letter of Offer and its accompanying documents, any Rights Entitlement or Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows:

1. It (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation, addressed to it and inviting it to participate in the Issue.

2. It is a QIB with the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein, and, if it is acquiring the Rights Entitlement or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, it has sole investment discretion with respect to each such account, and it has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein on behalf of each owner of such account.
3. To the extent it exercises the Rights Entitlement and subscribes for Rights Equity Shares, it will acquire such Rights Entitlement and Rights Equity Shares for its own account, or for the account of one or more QIB(s) as to which it has full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Rights Entitlement or the Rights Equity Shares.
4. It understands that its receipt of the Rights Entitlement, any subscription it may make for Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the composite application form.
5. It is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlement or the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlement and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
6. It understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlement or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlement or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
7. Without limiting the generality of the foregoing, it is aware and understands (and each account for which it is acting has been advised and understands) that (i) the Rights Entitlement and the Rights Equity Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States; (ii) any offer and sale of the Rights Entitlement or the Rights Equity Shares to it is being made pursuant to an exemption from the registration requirements of the Securities Act; and (iii) the Rights Entitlement and the Rights Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Rights Entitlement or the Rights Equity Shares are “restricted securities”, it will not offer, resell, pledge or otherwise transfer any Rights Entitlement or the Rights Equity Shares which it may acquire, or any beneficial interest therein, except in an offshore transaction complying with Rule 904 of Regulation S.
8. To the extent it exercises the Rights Entitlement and subscribes for Rights Equity Shares, it acknowledges and agrees that it is not acquiring or subscribing for the Rights Entitlement or the Rights Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act). It understands and agrees that although offers and sales of the Rights Entitlement and the Rights Equity Shares are being made in the United States to QIBs, such offers and sales are not being made under Rule 144A under the Securities Act.
9. To the extent it exercises the Rights Entitlement and subscribes for Rights Equity Shares, it agrees not to deposit any Rights Entitlement or the Rights Equity Shares into any unrestricted depository facility maintained by any depository bank unless and until such time as the Rights Entitlement or the Rights Equity Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act.
10. Prior to making any investment decision to exercise the Rights Entitlement and subscribe for Rights Equity Shares, it (i) will have consulted with its own legal, regulatory, tax, business, investment,

financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have been furnished with and will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed all information relating to our Company and the Bharti Group and the Rights Entitlement and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlement or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlement and the Rights Equity Shares; and (v) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Managers or their respective affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer).

11. Without limiting the generality of the foregoing, it acknowledges that (i) the Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (the “**Exchange Information**”), which includes, but is not limited to, a description of the nature of our Company’s business and our Company’s most recent balance sheet and profit and loss account, and similar statements for preceding years, and that it has reviewed such Exchange Information as it has deemed necessary or that it is able to obtain or access the Exchange Information without undue difficulty; and (ii) neither our Company nor any of its affiliates has made any representations to it, express or implied, with respect to our Company, the Rights Entitlement or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
12. It understands that the Exchange Information and this Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchanges or under Indian laws or is customary in rights offerings in India, which differs from the content, format and style customary for similar offerings in the United States. In particular, (i) our Company’s financial information contained in the Exchange Information and this Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements; and (ii) with respect to the financial information contained in this Letter of Offer, such financial information has not been prepared for an offering registered with the U.S. Securities and Exchange Commission. It further understands that our Company cannot determine with certainty, and has not determined, whether it may be treated as a “passive foreign investment company” (a “**PFIC**”) for U.S. federal income tax purposes for the current taxable year, and may not be able to make such a determination in future years and will not provide information required for it to make a “qualified electing fund” election, and that there may be certain adverse consequences under United States tax laws if our Company were to be a PFIC in the current or any future taxable year in which it may hold Equity Shares. It understands that a separate determination must be made each year as to our Company’s PFIC status and is seeking its own advice on this matter.
13. It acknowledges that (i) any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlement or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the “**Information**”), has been prepared solely by our Company; and (ii) none of the Lead Managers or any of their respective affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Managers or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. It will not hold the Lead Managers or any of their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to the Issue, and the Rights Entitlement or the Rights Equity Shares has been or will be provided by the Lead Managers or any of

their respective affiliates to it.

15. It is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters as to be capable of evaluating the merits and risks of an investment in the Rights Entitlement and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlement and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlement and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Managers, for all or part of any such loss or losses it may suffer. If it is resident or located in California, it is also an entity which falls within one or more of the various classes of investors described in §25102(i) of the California Corporation Securities Law and Rules §260.102.10 and §260.105.14 promulgated thereunder. If it is resident or located in Iowa, Minnesota or Vermont, it is not a QIB in accordance with Rule 144A(a)(1)(i)(H) of the US Securities Act being any organisation described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended, corporation (other than a bank as defined in Section 3(a)(2) of the US Securities Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the US Securities Act or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust. It has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of any Rights Entitlement or Rights Equity Shares it may decide to invest in.
16. It understands and acknowledges that the Lead Managers are assisting our Company in respect of the Issue and that the Lead Managers are acting solely for our Company and no one else in connection with the Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlement or Rights Equity Shares nor providing advice to it in relation to our Company, the Issue or the Rights Entitlement or Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Managers arising from their engagement with our Company.
17. It understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Managers, their respective affiliates and others (including legal counsels to each of our Company and the Lead Managers) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of the Issue or the issuance of the Rights Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlement and subscription for Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.
18. It understands and acknowledges that all offers and sales in the United States of the Rights Entitlement and the Rights Equity Shares have been, or will be, made solely by our Company. The Lead Managers are not making, and will not make, any offers or sales of the Rights Entitlement, Rights Equity Shares or any other security with respect to the Issue in the United States.

Any person in the United States who obtains a copy of this Letter of Offer or its accompanying documents and who has not been specifically invited by our Company to participate or who is not a QIB is required to disregard it.

U.S. TRANSFER RESTRICTIONS

The offering and delivery of the Rights Entitlement to, and the offering and acquisition of the Rights Entitlement or the Rights Equity Shares in the United States to and by certain persons in the United States who are QIBs is being made pursuant to an exemption from the registration requirements of the US Securities Act. None of the Rights Entitlement or the Rights Equity Shares have been, or will be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, or otherwise transferred or delivered except in an offshore transaction in

accordance with Rule 904 of Regulation S, and in accordance with any applicable securities laws of the United States and of any state of the United States.

FOR INVESTORS OUTSIDE THE UNITED STATES

Each purchaser of the Rights Entitlement and/or the Rights Equity Shares offered and sold in reliance on Regulation S will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights Entitlement and/or the Rights Equity Shares is, outside the United States, and (ii) is acquiring the Rights Entitlement and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights Entitlement and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S; and
- (c) the purchaser acknowledges that our Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Each person who exercises the Rights Entitlement and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlement or the Rights Equity Shares shall do so in accordance with the restrictions set out below.

Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“**Australian Corporations Act**”) and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission (“**ASIC**”) and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this document may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer of the Rights Entitlements or Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and Rights Equity Shares should observe such Australian on-sale restrictions.

Bahamas

This Letter of Offer has not been registered with the Securities Commission of the Bahamas (“**SCB**”), nor have any applications been made to exempt the Issue from the filing of a prospectus with the SCB under the Securities Industry Act, 2011, and under the circumstances, no offer or sale of the Rights Entitlements or Rights Equity Shares can occur in the Bahamas.

No offer or sale of Rights Entitlements or Rights Equity Shares can be made in the Bahamas unless the offer of the Rights Entitlements or Rights Equity Shares is made by or through a registered firm in the Bahamas and in compliance with Bahamian Exchange Control Regulations.

Bahrain

This document has been prepared for private information purposes of intended investors only who will be accredited investors. For this purpose, an “accredited investor” means: (i) an individual holding financial assets (either singly or jointly with a spouse) of US\$1,000,000 or more; (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US\$1,000,000; or (iii) a

government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund). This document is intended to be read by the addressee only.

No invitation has been made in or from the Kingdom of Bahrain and there will be no marketing or offering of the Rights Entitlements and Rights Equity Shares to the public in Bahrain. All applications for investment should be received, and any allotments should be made, in each case outside of the Kingdom of Bahrain. None of the Central Bank of Bahrain, the Bahrain Stock Exchange or any other regulatory authority in Bahrain has reviewed, nor has it approved, this document or the marketing of Rights Entitlements and Rights Equity Shares and takes no responsibility for the accuracy of the statements and information contained in this document, nor shall it have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein. This document is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain.

Bermuda

The offer of the Rights Entitlements and Rights Equity Shares under the Issue is private and is not intended for the public. This Letter of Offer has not been approved by the Bermuda Monetary Authority or the Registrar of Companies in Bermuda. Any representation to the contrary, explicit or implicit, is prohibited.

Canada

The Rights Entitlements and Rights Equity Shares may only be offered or sold in the provinces of British Columbia, Alberta, Ontario and Québec. The Rights Entitlements and Rights Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal in such provinces and that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”) or subsection 73.3(1) of the *Securities Act* (Ontario), and that are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Cayman Islands

This document does not constitute a public offer of the Rights Entitlements and Rights Equity Shares, whether by way of sale or subscription, in the Cayman Islands. Each Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Rights Entitlements and Rights Equity Shares to any member of the public in the Cayman Islands.

Dubai International Financial Centre

The Rights Entitlements and Rights Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “DFSA”); and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented Directive 2003/71/EC (and any amendment thereto, including Directive 2010/73/EU, to the extent implemented in each relevant European Economic Area Member State) and any relevant implementing measure in each relevant European Economic Area Member State (the “**Prospectus Directive**”) (each a “**Relevant Member State**”), an offer to the public of any Rights Entitlements and Rights Equity Shares in the Issue may not be made in that Relevant Member State, except if the Rights Entitlements and Rights Equity Shares in the Issue are offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) to fewer than 150 natural or legal persons (other than a person that is a qualified investor as defined in the Prospectus Directive) subject to obtaining the prior consent of the International Selling Agents for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Rights Entitlements and Rights Equity Shares in the Issue shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Rights Entitlements and Rights Equity Shares in the Issue to the public” in relation to any of the Rights Entitlements and Rights Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Entitlements and Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlements and Rights Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Rights Entitlements and Rights Equity Shares under, the offers contemplated in this document will be deemed to have represented, warranted and agreed to and with our Company and the Lead Manager that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State which has implemented Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any Rights Entitlements and Rights Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Rights Entitlements and Rights Equity Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of our Company has been given to the offer or resale; or (ii) where the Rights Entitlements and Rights Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Rights Entitlements and Rights Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

Hong Kong

The Rights Entitlements and Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Rights Entitlements and Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “FIEA”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the “Qualified Institutional Investor”), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the “**QII Rights Entitlements and Rights Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and Rights Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This document is not for circulation in Kuwait and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements and Rights Equity Shares in Kuwait. The Rights Entitlements and Rights Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority, the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The offering of the Rights Entitlements and Rights Equity Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended), Ministerial Order No. 113 of 1992 and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Rights Entitlements and Rights Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Rights Entitlements and Rights Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements and Rights Equity Shares in Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and Rights Equity Shares and no person may offer for subscription or purchase any of the Rights Entitlements and Rights Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The Rights Entitlements and Rights Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

This Letter of Offer and the CAF are being distributed in New Zealand only to persons who certify that they are “wholesale investors” within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 of New Zealand. By accepting this Letter of Offer, each investor represents and warrants that if they receive this Letter of Offer in New Zealand they are a wholesale investor and they will not disclose this Letter of Offer or the CAF to any person who is not also a wholesale investor.

Sultanate of Oman

This document does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No. 1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Rights Entitlements and Rights Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this document or for the performance of our Company or the Rights Entitlements and Rights Equity Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This document and the offering of the Rights Entitlements and Rights Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorised, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Rights Entitlements and Rights Equity Shares in the State of Qatar. Accordingly, the Rights Entitlements and Rights Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Rights Entitlements and Rights Equity Shares and distribution of this document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Rights Entitlements and Rights Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the “QFC”), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company and the Lead Manager have not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Offers of Securities Regulations issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the “Offers of Securities Regulations”).

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

The Rights Entitlements and Rights Equity Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the Kingdom of Saudi Arabia other than to Sophisticated Investors within the meaning of Article 10 of the Offers of Securities Regulations.

The offer of the Rights Entitlements and Rights Equity Shares in the Kingdom of Saudi Arabia shall not, therefore, constitute a “public offer” pursuant to the Offers of Securities Regulations. Prospective investors are informed that Article 17 of the Offers of Securities Regulations places restrictions on secondary market activity with respect to the Rights Entitlements and Rights Equity Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above stated restrictions shall not be recognized.

Singapore

This Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Letter of Offer and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements and Rights Equity Shares may not be circulated or distributed, nor may the Rights Entitlements and Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”)) pursuant to Section 274 of the Securities and Futures Act, (ii) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Rights Entitlements and Rights Equity Shares are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Entitlements and Rights Equity Shares pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the Securities and Futures Act; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the

Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

South Africa

This Letter of Offer will not be registered as a prospectus in terms of the Companies Act 1973 in South Africa and as such, any offer of Rights Entitlements and Rights Equity Shares in South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of such Act. Furthermore, any offer or sale of the Rights Entitlements and Rights Equity Shares shall be subject to compliance with South African exchange control regulations.

South Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Rights Entitlements and Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “FSCMA”). Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and Rights Equity Shares.

Switzerland

The Rights Entitlements and Rights Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Rights Entitlements and Rights Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Rights Entitlements and Rights Equity Shares or the Issue or our Company have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and the Issue has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Rights Entitlements and Rights Equity Shares.

The Rights Entitlements and Rights Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Rights Entitlements and Rights Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Rights Entitlements and Rights Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Rights Entitlements and Rights Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Issue

described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Rights Entitlements and Rights Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan (“**FSC**”) pursuant to applicable securities laws and regulations and may not be sold, issued or offered in the Republic of China (Taiwan) through a public offering or private placement or in circumstances which constitute a public offer or private placement within the meaning of the Securities and Exchange Law, the Securities Investment Trust and Consulting Act or Regulations Governing Offshore Funds of Taiwan that requires a registration with or the approval of the FSC. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Rights Entitlements and Rights Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “**UAE**”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of such securities. This Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

Each Lead Manager has represented and warranted that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) in connection with the issue or sale of the Rights Entitlements and Rights Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to our Company; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Rights Entitlements and Rights Equity Shares in, from or otherwise involving the United Kingdom.

This Letter of Offer and any investment or investment activity to which this document relates is directed only at, available only to, and will be engaged in only with (i) persons who are outside the United Kingdom (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (iii) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order or (iv) or persons to whom it can otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it or any of its contents.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the GoI and the RBI. Pursuant to the Office Memorandum dated June 5, 2017 issued by the Department of Economic Affairs, Ministry of Finance, approval for foreign investment under the FDI Policy and FEMA has been entrusted to the concerned ministries/departments. DoT is the competent authority for grant of approval for foreign investment for telecommunication sector.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP (now DPII), issued the consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 which is effective from August 28, 2017. The FDI Policy will be valid until the DIPP (now DPII) issues an updated FDI Policy. The existing foreign investment limit in our Company is 49% of the total paid-up Equity Share capital of our Company under the automatic route. Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 74% of the total paid-up Equity Share capital of our Company, respectively.

As per Regulation 6 of the FEMA Regulations, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, *inter alia*, (i) subscribe for additional shares over and above their rights entitlement; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. **This Letter of Offer, Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

For details, see “*Terms of the Issue*” on page 311.

The above information is given for the benefit of the Applicants/ Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of filing of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated March 6, 2019 among our Company and the Lead Managers.
2. Registrar Agreement dated March 6, 2019 among our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated April 19, 2019 among our Company, the Lead Managers, the Registrar to the Issue and the Bankers to the Issue.
4. Monitoring Agency Agreement dated April 19, 2019 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation of our Company and fresh certificate of incorporation issued pursuant to the change of name of our Company to 'Bharti Airtel Limited' from 'Bharti Tele-Ventures Limited'.
3. Certificate of commencement of business issued to our Company on January 18, 1996.
4. Prospectus dated February 7, 2002, in respect of the IPO of equity shares of face value of ₹ 10 each by our Company.
5. Resolution of our Board dated February 28, 2019 approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.
6. Resolutions passed by our Board and the Special Committee of Directors for Fund Raising dated February 28, 2019 and March 6, 2019, respectively, approving the Draft Letter of Offer.
7. Resolution passed by our Board dated April 19, 2019 approving this Letter of Offer.
8. Resolution passed by the Special Committee of Directors for Fund Raising dated April 10, 2019 determining the Record Date.
9. Consents of our Directors, Company Secretary, Compliance Officer, Statutory Auditors, the Lead Managers, legal counsels, Bankers to our Company and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
10. Annual Reports of our Company for Fiscals 2018, 2017, 2016, 2015, and 2014.
11. In-principle approvals dated March 22, 2019 and March 20, 2019 issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.
12. The statement of special tax benefits dated March 6, 2019 from the Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants.
13. Due diligence certificate dated March 6, 2019 addressed to SEBI from the Lead Managers.

14. Tripartite agreement dated December 29, 2001 among our Company, Karvy Consultants Limited and NSDL.
15. Tripartite agreement dated January 12, 2002 among our Company, Karvy Consultants Limited and CDSL.
16. SEBI final observation letter dated April 5, 2019.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF THE COMPANY

Mr. Sunil Bharti Mittal
Chairman and Whole-time Director

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

Ms. Chua Sock Koong
Non-Executive Director

Mr. Rakesh Bharti Mittal
Non-Executive Director

Ms. Tan Yong Choo
Non-Executive Director

Mr. Craig Edward Ehrlich
Independent Director

Mr. Dinesh Kumar Mittal
Independent Director

Mr. Manish Santoshkumar Kejriwal
Independent Director

Mr. Shishir Priyadarshi
Independent Director

Mr. Vegulaparanan Kasi Viswanathan
Independent Director

Ms. Kimsuka Narasimhan
Independent Director

Mr. Badal Bagri
Chief Financial Officer (India & South Asia)

Date: April 19, 2019

Place: New Delhi