Independent Auditor's Report

To the Board of Directors of Bharti Airtel Limited

We have audited the accompanying consolidated financial statements ('financial statements') of Bharti Airtel Limited ('the Company') and its subsidiaries (together referred to as 'the Group') as at March 31, 2015, comprising of the consolidated statement of financial position as at March 31, 2015 and the related consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement(s) of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements of the joint venture of the Company as noted below, these financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Other Matters

We did not audit the share of gain in a joint venture of Rs 7,276 million for the year ended March 31, 2015, included in the accompanying financial statements in respect of the joint venture, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such joint venture is based solely on the report of other auditors.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm's Registration Number 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: April 28, 2015

BHARTI AIRTEL LIMITED AND SUBSIDIARIES

Consolidated Financial Statements - IFRS

For the year ended March 31, 2015

Bharti Airtel Limited
Consolidated income statement

(Rupees Millions, except per share data)

Particulars	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	6	920,394	857,461
Other operating income		957	1,174
Operating expenses	8	(607,468)	(580,205)
		313,883	**278,430**
Depreciation and amortisation	10	(155,311)	(156,496)
Profit from operating activities before exceptional items		**158,572**	**121,934**
Share of results of joint ventures and associates	17	7,223	5,211
Profit before finance income, finance costs, other expenses, exceptional items and tax		**165,795**	**127,145**
Finance income	11	24,788	10,408
Finance costs	11	(73,252)	(58,788)
Other expenses	9	(1,669)	(660)
Exceptional items, net	12	(8,532)	538
Profit before tax		**107,130**	**78,643**
Income tax expense (including exceptional items)	13	(54,047)	(48,449)
Net profit for the year		**53,083**	**30,194**
Attributable to :			
Equity holders of the Parent		51,835	27,727
Non-controlling interests (including exceptional items)		1,248	2,467
Net profit		**53,083**	**30,194**
Earnings per share (In Rupees)	37		
Basic, profit attributable to equity holders of the Parent		12.97	7.02
Diluted, profit attributable to equity holders of the Parent		12.97	7.01

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

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

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

Sunil Bharti Mittal
Chairman

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

per Nilangshu Katriar
Partner
Membership No: 58814

Rajendra Chopra
Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Place: New Delhi
Date: April 28, 2015

Bharti Airtel Limited
Consolidated statement of comprehensive income

(Rupees Millions)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Net profit for the year	**53,083**	**30,194**
Other comprehensive income :		
Items that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of foreign operations	(69,186)	15,716
Income tax effect	-	(150)
Gains/(losses) on hedge of net investments	32,925	-
Income tax effect	-	-
Gains/(losses) on cash flow hedge	(5,350)	-
Income tax effect	-	-
	(41,611)	**15,566**
Items that will not be reclassified to profit or loss :		
Re-measurement gains/(losses) on defined benefit plans	75	(197)
Income tax effect	(18)	49
	57	**(148)**
Other comprehensive income / (loss) for the year, net of tax	**(41,554)**	**15,418**
Total comprehensive income / (loss) for the year, net of tax	**11,529**	**45,612**
Attributable to :		
Equity holders of the Parent	12,448	43,373
Non-controlling interests	(919)	2,239
Total comprehensive income	**11,529**	**45,612**

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

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

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

Sunil Bharti Mittal
Chairman

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

per Nilangshu Katriar
Partner
Membership No: 58814

Rajendra Chopra
Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Place: New Delhi
Date: April 28, 2015

Bharti Airtel Limited
Consolidated statement of financial position

(Rupees Millions)

Particulars	Notes	As of March 31, 2015	As of March 31, 2014
Assets			
Non-current assets			
Property, plant and equipment	14	579,157	596,429
Intangible assets	15	922,283	809,716
Investment in joint ventures and associates	17	46,257	56,702
Other investments	24	31,260	36,341
Derivative financial assets	18	7,303	2,761
Other financial assets	19	16,018	17,330
Other non-financial assets	20	28,383	26,009
Deferred tax asset	13	59,502	62,627
		1,690,163	**1,607,915**
Current assets			
Inventories	21	1,339	1,422
Trade and other receivables	22	67,252	62,441
Derivative financial assets	18	1,207	819
Prepayments and other assets	23	31,828	29,656
Income tax recoverable		5,750	9,319
Other investments	24	92,840	62,265
Other financial assets	19	10,075	8,127
Cash and cash equivalents	25	11,719	49,808
		222,010	**223,857**
Assets of disposal group classified as held for sale	42	45,645	-
		267,655	**223,857**
Total assets		**1,957,818**	**1,831,772**
Equity and liabilities			
Equity			
Issued capital	31	19,987	19,987
Treasury shares	31	(114)	(342)
Share premium		123,456	123,456
Retained earnings		473,025	437,167
Other Reserves	31	3,210	17,292
Equity attributable to equity holders of the Parent		**619,564**	**597,560**
Non-controlling interests		48,525	42,102
Total equity		**668,089**	**639,662**
Non-current liabilities			
Borrowings	26	452,283	549,919
Deferred revenue		17,917	14,010
Provisions	27	6,248	10,044
Derivative financial liabilities	18	164	4,313
Deferred tax liability	13	15,110	16,850
Other financial liabilities	28	162,106	27,464
Other non-financial liabilities	29	1,466	1,460
		655,294	**624,060**
Current liabilities			
Borrowings	26	211,389	209,039
Deferred revenue		50,074	44,899
Provisions	27	2,061	1,725
Other non-financial liabilities	29	15,897	15,277
Derivative financial liabilities	18	628	1,097
Income tax liabilities		9,271	12,032
Trade & other payables	30	339,670	283,981
		628,990	**568,050**
Liabilities of disposal group classified as held for sale	42	5,445	-
		634,435	**568,050**
Total liabilities		**1,289,729**	**1,192,110**
Total equity and liabilities		**1,957,818**	**1,831,772**

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

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

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

Sunil Bharti Mittal
Chairman

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

per Nilangshu Katriar
Partner
Membership No: 58814

Rajendra Chopra
Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Place: New Delhi
Date: April 28, 2015

Bharti Airtel Limited
Consolidated statement of changes in equity

(Rupees Millions, except as stated otherwise)

Particulars	Attributable to equity holders of the Parent								
	No of shares (in '000) (Note 31)	Share capital (Note 31)	Treasury shares (Note 31)	Share premium	Retained earnings	Other Reserves (Note 31)	Total	Non-controlling interests	Total equity
As of April 1, 2013	**3,797,530**	**18,988**	**(674)**	**56,499**	**414,027**	**14,377**	**503,217**	**40,886**	**544,103**
Net profit / (loss) for the year	-	-	-	-	27,727	-	27,727	2,467	30,194
Other comprehensive income / (loss)	-	-	-	-	(148)	15,794	15,646	(228)	15,418
Total comprehensive income / (loss)	-	-	-	-	**27,579**	**15,794**	**43,373**	**2,239**	**45,612**
Share based compensation	-	-	-	-	-	-	-	8	8
Issue of share capital	199,870	999	-	66,957	-	-	67,956	-	67,956
Non-controlling interest arising on a business combination / liability for purchase of non-controlling interests (refer note 7)	-	-	-	-	-	(7,534)	(7,534)	820	(6,714)
Receipt on exercise of share options (refer note 8.2)	-	-	332	-	-	(295)	37	61	98
Transaction with non-controlling interests (refer note 7)	-	-	-	-	-	(5,050)	(5,050)	355	(4,695)
Dividend paid (including tax) to Company's shareholders (refer note 31)	-	-	-	-	(4,439)	-	(4,439)	-	(4,439)
Dividend paid (including tax) to non-controlling Interests	-	-	-	-	-	-	-	(2,296)	(2,296)
Others (refer note 7)	-	-	-	-	-	-	-	29	29
As of March 31, 2014	**3,997,400**	**19,987**	**(342)**	**123,456**	**437,167**	**17,292**	**597,560**	**42,102**	**639,662**
Net profit / (loss) for the year	-	-	-	-	51,835	-	51,835	1,248	53,083
Other comprehensive income / (loss)	-	-	-	-	57	(39,444)	(39,387)	(2,167)	(41,554)
Total comprehensive income / (loss)	-	-	-	-	**51,892**	**(39,444)**	**12,448**	**(919)**	**11,529**
Share based compensation	-	-	-	-	-	(7)	(7)	3	(4)
Receipt on exercise of share options (refer note 8.2)	-	-	228	-	-	(173)	55	497	552
Transaction with non-controlling interests (refer note 7)	-	-	-	-	-	25,542	25,542	12,207	37,749
Dividend paid (including tax) to Company's shareholders (refer note 31)	-	-	-	-	(16,034)	-	(16,034)	-	(16,034)
Dividend paid (including tax) to non-controlling Interests	-	-	-	-	-	-	-	(5,365)	(5,365)
As of March 31, 2015	**3,997,400**	**19,987**	**(114)**	**123,456**	**473,025**	**3,210**	**619,564**	**48,525**	**668,089**

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

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: April 28, 2015

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Bharti Airtel Limited
Consolidated statement of cash flows

(Rupees Millions)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash flows from operating activities		
Profit before tax	**107,130**	**78,643**
Adjustments for -		
Depreciation and amortisation	155,311	156,496
Finance income	(24,788)	(10,408)
Finance costs	73,252	58,788
Share of results of joint ventures and associates	(7,223)	(5,211)
Exceptional items (net)	1,941	(2,481)
Amortisation of share based compensation	(4)	8
Other non-cash items	(45)	(789)
Operating cash flow before changes in assets and liabilities	**305,574**	**275,046**
Trade & other receivables and prepayments	(11,144)	2,072
Inventories	(2)	(147)
Trade and other payables	14,203	16,818
Provisions	1,144	2,511
Other financial and non financial liabilities	(99)	10,506
Other financial and non financial assets	(5,741)	(14,227)
Cash generated from operations	**303,935**	**292,579**
Interest received	1,307	1,688
Dividend from mutual funds	480	898
Dividend received	16,407	2,200
Income tax paid	(46,111)	(35,039)
Net cash inflow from operating activities	**276,018**	**262,326**
Cash flows from investing activities		
Purchase of property, plant and equipment	(146,411)	(114,159)
Proceeds from sale of property, plant and equipment	2,595	4,360
Purchase of intangible assets	(65,970)	(64,860)
Short term investments (net)	(13,821)	(21,998)
Purchase of non-current investments	(3,078)	(8,842)
Sale of non-current investments	5,618	-
Investment in subsidiary, net of cash acquired (refer note 7)	(358)	(6,044)
Sale / Demerger of subsidiary	1,021	(8,009)
Investment in joint venture / associate	(10)	(2)
Proceeds from Joint venture on account of capital reduction	87	-
Loan given to joint venture / associate (Refer note 34)	(154)	(30,179)
Net cash outflow from investing activities	**(220,481)**	**(249,733)**
Cash flows from financing activities		
Proceeds from borrowings	344,586	361,215
Repayment of borrowings	(420,325)	(348,425)
Short term borrowings (net)	3,288	1,462
Repayment of loan to joint venture	(9,173)	-
Interest and other finance charges paid	(33,887)	(37,620)
Proceeds from exercise of share options	552	98
Dividend paid (including tax) to Company's shareholders (refer note 31)	(16,034)	(4,439)
Dividend paid (including tax) to non - controlling interests	(5,365)	(2,296)
Proceeds from issuance of equity shares to institutional investor	-	67,956
Sale of interest in a subsidiary to non-controlling interest (refer note 7)	40,412	-
Acquisition of non-controlling interests (refer note 7)	(624)	(10,207)
Net cash inflow/ (outflow) from financing activities	**(96,570)**	**27,744**
Net increase/ (decrease) in cash and cash equivalents during the year	**(41,033)**	**40,337**
Effect of exchange rate changes on cash and cash equivalents	43	(2,073)
Add : Balance as at the beginning of the year	39,575	1,311
Balance as at the end of the year (refer note 25)	**(1,415)**	**39,575**

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

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

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

Sunil Bharti Mittal
Chairman

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

per Nilangshu Katriar
Partner
Membership No: 58814

Rajendra Chopra
Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Place: New Delhi
Date: April 28, 2015

1. Corporate information

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

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

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home digital TV services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 40.

The Group's principal shareholders as of March 31, 2015 are Bharti Telecom Limited, Pastel Limited (part of Singapore Telecommunication International Pte. Limited Group), Indian Continent Investment Limited and Three Pillars Pte. Limited.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on April 28, 2015.

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

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

3. Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following new Standards, interpretations and amendments effective from the current year

S. No.	Interpretation/ Amendments	Month of Issue	Effective date - annual periods beginning on or after
1	Amendments to IAS 32, "Financial Instruments : Presentation"	December, 2011	January 1, 2014
2	Amendments to IFRS 10, "Consolidated Financial Statements", IFRS 12, "Disclosure of Interests in Other Entities" and IAS 27, "Separate Financial Statements"	October, 2012	January 1, 2014
3	Amendments to IAS 36, "Impairment of Assets"	May, 2013	January 1, 2014
4	IFRIC 21, "Levies"	May, 2013	January 1, 2014
5	Amendments to IAS 39, "Financial Instruments: Recognition and Measurement"	June, 2013	January 1, 2014

The adoption of the new interpretations / amendments to the Standards mentioned above does not have any significant impact on the financial position or performance of the Group.

The Group has not early adopted any Standard, interpretation or amendment that has been issued but is not yet effective. The Group plans to adopt these standards, interpretations and amendments as and when they are effective.

3.1 Basis of measurement

The consolidated financial statements are prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and liability for cash settled share based options that have been measured at fair value. The carrying values of recognised liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in Indian Rupees ('Rupees' or 'Rs.'), which is the Company's functional and Group's presentation currency and all amounts are rounded to the nearest million, except as stated otherwise.