



Transformational Network

ENRICHING EXPERIENCE.
ENDURING VALUE.

Corporate Information

Board of Directors

Mr. Sunil Bharti Mittal, *Chairman*
Ms. Chua Sock Koong
Sheikh Faisal Thani Al-Thani
Mr. Ben Verwaayen
Mr. Rakesh Bharti Mittal
Mr. V. K. Viswanathan
Mr. Craig Ehrlich
Mr. D. K. Mittal
Mr. Manish Kejriwal
Mr. Shishir Priyadarshi
Ms. Tan Yong Choo
Mr. Gopal Vittal, *Managing Director & CEO (India & South Asia)*

Executive Chairman (Africa)

Bharti Airtel International (Netherlands) B.V.
Mr. Christian de Faria

Company Secretary & Compliance Officer

Mr. Rajendra Chopra

Statutory Auditors

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

Internal Auditors

M/s. ANB & Co.
M/s. KPMG

Cost Auditors

M/s. R. J. Goel & Co.
Cost Accountants

Secretarial Auditors

M/s. Chandrasekaran Associates
Company Secretaries

Registered & Corporate Office

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

Website

www.airtel.com

Corporate Identification Number (CIN)

L74899DL1995PLC070609



Bharti Airtel Limited is a leading global telecommunication company with operations in 20 countries across Asia and Africa.

Headquartered in New Delhi, India, the Company ranks among the top 3 mobile service providers globally in terms of subscribers. In India, the Company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long-distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce. Bharti Airtel had over 342 Mn customers across its operations at the end of March 2016.

The information contained in this report can be accessed through the **Airtel Investor Relations app** available on the iPhone and iPad.



For the online version of the Annual Report please log on to <http://www.airtel.in/about-bharti/equity/results/>

Inside this Report



“Airtel became the first company in India to receive a payments bank license. I strongly believe with our deep distribution network touching remote corners of the country, Airtel Payments Bank is uniquely placed to deliver a differentiated banking experience to our customers”.

Sunil Bharti Mittal, Chairman

 PG 12

#3

 PG 3

Ranked Telecom Operator Globally
(in terms of subscriber base)

21.1%

 PG 5

Spectrum Market Share

45.2%

 PG 5

Incremental RMS (Y-o-Y)

61%

 PG 5

Incremental EBITDA Margin (Y-o-Y)

₹965.3 Bn

 PG 3

Global Revenues FY 2015-16

Corporate Overview

| | |
|----|---|
| 03 | Touching Lives |
| 04 | Our Winning Strategy |
| 06 | Imagine Our Network of Possibilities |
| 07 | Product Portfolio |
| 08 | Financial Progress |
| 10 | Achievements in FY 2015-16 |
| 12 | Message from Chairman |
| 14 | Message from Managing Director & CEO (India & South Asia) |
| 15 | Message from Executive Chairman (Africa) |
| 16 | A Bold Leap Forward |
| 18 | A New Generation's take on Life |
| 22 | Africa's Conversation is Changing |
| 24 | Board of Directors |
| 26 | A Rewarding Year! |
| 28 | Corporate Social Responsibility & Sustainability |

Statutory Reports

| | |
|-----|------------------------------------|
| 40 | Business Responsibility Report |
| 48 | Board's Report |
| 84 | Management Discussion and Analysis |
| 104 | Report on Corporate Governance |

Financial Statements

| | |
|-----|---|
| 126 | Standalone Financial Statements with Auditor's Report (IGAAP) |
| 189 | Consolidated Financial Statements with Auditor's Report (IGAAP) |
| 264 | Consolidated Financial Statements with Auditor's Report (IFRS) |
| 352 | Statement Pursuant to Section 129 of the Companies Act, 2013 |
| 356 | Circle Offices |

Telecommunication today reflects majestic leaps of human imagination, transcending the limits of time and space. The industry is seeing unprecedented progress in terms of innovation and adoption of new technologies that elevate life in so many different ways.

Smartphones are now being used by millions of people across the emerging world, resulting in a huge uptake in new applications and data consumption. Regulatory issues are also being scrutinised to untangle the web of complexities; and create a level playing field for market participants globally.

Against the backdrop of these broad trajectories, we at Bharti Airtel crossed major milestones in almost every aspect of the business.

During the year, we emerged as the world's third largest mobile operator in terms of subscribers. We bolstered our operating efficiencies, margins and revenue market share significantly in India. We embarked upon our ambitious Project Leap to radically transform our network in India; and undertook one of our largest sites deployment initiatives, rolling out over 87,000 sites.

Not just that, we unveiled India's first Open Network, setting a new benchmark of transparency for the industry. We are opening up; so that customers can evaluate our capabilities, see our commitment, even partner us in building a truly great network.

We have also had the honour of being India's first company to receive a payments bank license from the Reserve Bank of India. We are

committed to help strengthen financial inclusion, leveraging our deep distribution network across India's vast terrains.

The year also saw us responding with resilience in challenging African markets, providing opportunities across communities to help Africa realise its full potential. We are also focusing on a viable blueprint to grow our market share, reduce waste and accelerate voice and non-voice businesses across the continent.

Amid an exciting and eventful year, we continued to drive our environmental and sustainability initiatives with passion and diligence.

This is the broad canvas of sweeping transformation that we are delivering to customers and stakeholders, who partner our vision of enriching lives.

Transformation for us is not just evolution in response to shifting global realities. It is a quest for new paradigms, harbours of hope and innovation in a deeply connected and collaborative world.



Touching Lives

through the transformative
power of communication

#1

Ranked telecom operator
in India

#2

Ranked telecom operator
in Africa

#3

Ranked telecom operator
globally (in terms of
subscriber base)

342 Mn+

Mobile subscribers across
Asia (India, Bangladesh
and Sri Lanka) and Africa

77 Mn

Wireless data customers
across Asia and Africa

25.2 Mn

New mobile subscriptions
in India in FY 2015-16, the
fastest subscriber growth
in the industry

20

Countries presence
across the globe

2 Bn+

Addressable population
globally, considering the
geographies in which Airtel
has presence

₹965.3 Bn

Global revenues in
FY 2015-16

1.35 Tn

Minutes of mobile voice
traffic in FY 2015-16 globally

597 Bn MB

Data usage in
FY 2015-16

USD 19.8 Bn

Total Airtel Money transaction
value in Africa in FY 2015-16
(Q4 annualised)

437 MHz

Spectrum won in auctions
in India (February 2014 and
March 2015) and acquired
via trading

₹760 Bn

Investment in spectrum
auction and purchase

₹995.8 Bn

Cumulative contribution to
the exchequer in India in the
last 5 years

Our Winning Strategy

Vision

Our vision is to enrich the lives of our customers. Our obsession is to win customers for life through exceptional experience.

Objectives

- Grow market share profitably
- Accelerate non-mobile businesses

Values

- Alive
- Inclusive
- Respectful

Win-win for all



Win through go-to-market excellence

- Grow share of new smartphones and 4G devices
- Accelerate data penetration via intuitive pricing and innovation
- Build India's No. 1 payments bank through a 'frugal and digital' model

Win with a brilliant network experience

- Address customer concerns through quality obsession
- Improve customer advocacy through granular planning and communication
- Drive down unit cost per MB through leveraging multiple technologies

Win with valuable customers

- Grow 3G / 4G data by encouraging consumption, bundling and upgradation
- Grow postpaid through propositions, store experience and B2B drive
- Accelerate B2B through improved experience
- Empower homes through high-speed broadband, low-cost access and bundling
- Win DTH through a disproportionate share of digitisation and innovation

Win with a war on waste

- Drive cost efficiency initiatives
- Lower costs and maximising sharing
- Reduce waste by network re-design

Win with people

- Drive a high-performance culture
- Grow talent through strong learning, mentoring and succession planning

Value Enablers

Our guiding philosophy revolves around customer centricity, performance excellence, transparency and ethical governance.

Large residual opportunity with bulk investments in place

We have large residual opportunities in India and Africa; and are well positioned to capture future growth through our network of towers and base stations, superior spectrum bank, and largest layout of optic fibre.

~50%

Unique mobile users of total SIMs sold

(Source: CISCO VNI Forecasts)

21.1%

Spectrum market share

2x

Industry leading revenue yield/MHz at 2x average with same cost/MHz

435,000 Rkms

Largest optical fibre network among private players

Significant scale and scope to capitalise on the opportunities

Airtel is growing across key growth markets with a subscriber base of 342+ Mn. We are the only telecom operator with a diversified portfolio in India; and we are suitably positioned to capitalise on the opportunities ahead.

45.2% (Y-o-Y)

Incremental Revenue Market Share (RMS) - Highest in the industry

38.7%

Incremental subscriber share as of Feb 2016

(Source: TRAI)

Highest revenue

Market share and subscriber market share in India

Leader in India

and #1 or #2 in 14 African countries

Financial flexibility, strong balance sheet and operating efficiencies

We continue to focus on de-leveraging through strategic initiatives taken in India and Africa which include tower sales, and strategic divestment of two African countries. We realised ~USD 1.6 Bn from tower sales and sales in 3 countries are work-in-progress. We are also achieving high operating efficiencies and strengthening our war on waste across geographies.

9.6%

Revenue growth of India and South Asia (Y-o-Y)

3.2%

Revenue growth of Africa (Y-o-Y) (on a constant currency basis)

34.2% to 35.4%

Increase in EBITDA margins (FY 2014-15 to FY 2015-16)

61%

Incremental EBITDA margin (Y-o-Y)

Global talent pool

Our huge talent pool helps us create differentiated experience for our customers through an attractive portfolio of products and services.

A high-performance culture through talent-first strategy with contemporary learning modules, mentoring, and succession planning strengthens the differentiation of our brand.

Strength of our team:

19,523

India

646

South Asia

4,771

Africa

Imagine Our Network of Possibilities

As the world's leading global telecommunications company, we are building the network of the future. Network that is more heterogeneous, flexible and attuned to evolving customer expectations. We are migrating to a more granular network quality model that enhances transparency and reinforces customer trust on the brand.

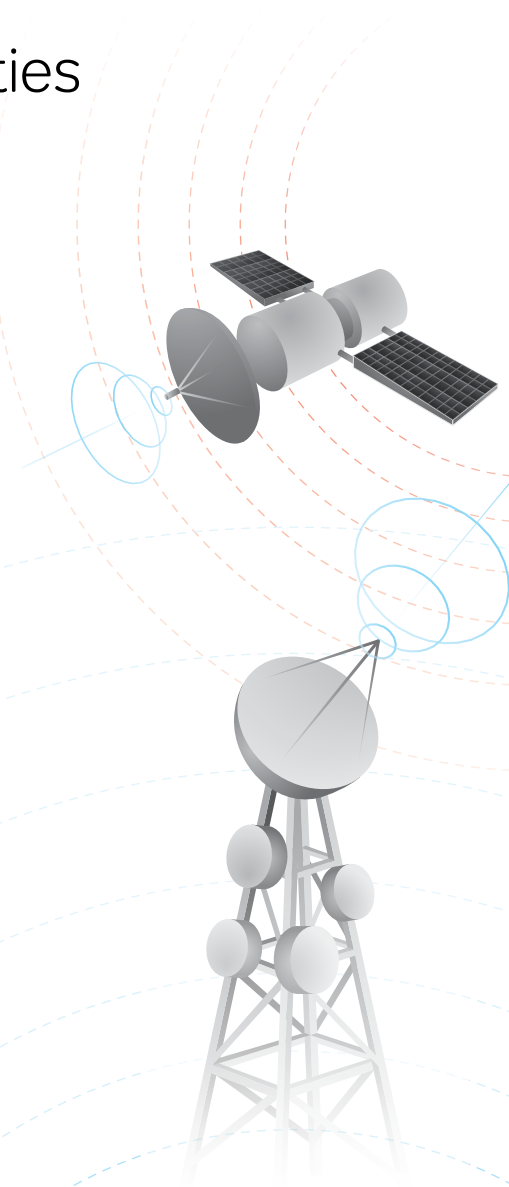
Our multi-layered and multi-technology network is a futuristic and highly complex architecture. Therefore, in order to maintain and improve the network experience, we have embarked upon innovative tools for near real-time optimisation through Self Optimisation Network (SON) and geo-analytics.

Airtel has pioneered a customer demand centric network planning and densification by getting visibility of the network consumption on a granular 50m x 50m grid. It has helped in ensuring deployment of new sites, small cells in corridors of high consumption, thus improving efficiency of new deployments.

With operations across 20 countries in Asia and Africa, our innovations are touching the lives of millions of people worldwide. We globally rank among the top three mobile service providers in terms of subscribers, offering a wide array of products and services.

We provide telecom services under wireless and fixed line technology, national and international long distance connectivity, Digital TV and IPTV services; and complete integrated telecom solutions to our enterprise customers.

Through 'Airtel Money' we are driving financial inclusion by offering convenience of payments and money transfers on mobile phones over secure and stable platforms.



Product Portfolio

Mobile Services

- First to launch 4G in India
- Pocket-friendly data packs
- Seamless 3G connectivity
- Wide range of plans to choose from

India

₹ Mn



8% ↑ Y-o-Y

South Asia

₹ Mn



4% ↑ Y-o-Y

Africa

USD Mn



3% ↑ Y-o-Y

Telemedia

Landline

- Attractive plans and offers
- Highly reliable service
- 24/7 online support
- Value added services

Internet

- Superior connectivity
- Tailor-made plans
- High speed internet access
- Value added services

₹ Mn



7% ↑ Y-o-Y

Airtel Business

- Diverse portfolio of services - voice, data, video, network integration, data centres, managed services, enterprise mobility applications and digital media
- Strategically located submarine cables and satellite network
- Global network running across 225,000 Rkms, covering 50 countries and 5 continents

₹ Mn



16% ↑ Y-o-Y

Digital TV

- Superior digital picture quality
- Dolby digital sound
- HD channels
- Universal remote
- 330+ channels
- Interactive services

₹ Mn



18% ↑ Y-o-Y

Tower Infrastructure

- One of the world's largest passive infrastructure providers
- 88,808+ towers (including proportionate share of Indus Towers)

₹ Mn

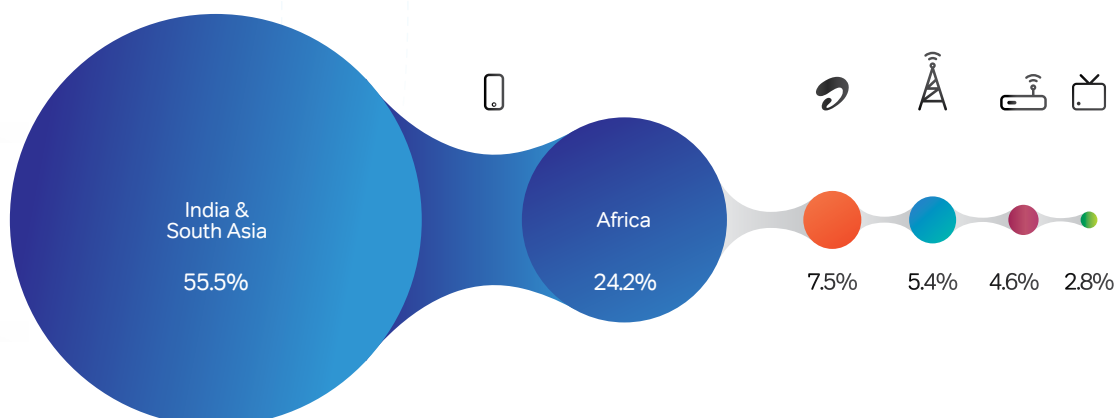


3% ↑ Y-o-Y

FY 2014-15

FY 2015-16

Revenue
Mix
FY 2015-16



Financial Progress

| Operating Highlights | Financial Year Ended March 31 | | | | | 2016 |
|--------------------------------|-------------------------------|---------|---------|---------|---------|---------|
| | Units | 2012 | 2013 | 2014 | 2015 | |
| Total Customer Base | 000s | 251,646 | 271,227 | 295,948 | 324,368 | 357,428 |
| Mobile Services | 000s | 241,148 | 259,844 | 283,580 | 310,884 | 342,040 |
| Broadband & Telephone Services | 000s | 3,270 | 3,283 | 3,356 | 3,411 | 3,664 |
| Digital TV Services | 000s | 7,228 | 8,100 | 9,012 | 10,073 | 11,725 |

► Based on Consolidated Income Statement

| | | | | | | |
|---|------|---------|---------|---------|---------|---------|
| Revenue | ₹ Mn | 683,267 | 769,045 | 857,461 | 920,394 | 965,321 |
| EBITDA (before exceptional items) | ₹ Mn | 222,533 | 233,340 | 278,430 | 314,517 | 341,902 |
| Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items) | ₹ Mn | 193,899 | 195,643 | 241,813 | 285,280 | 289,152 |
| Earnings Before Tax | ₹ Mn | 63,792 | 47,853 | 78,643 | 107,130 | 120,705 |
| Net Profit | ₹ Mn | 42,594 | 22,757 | 27,727 | 51,835 | 54,842 |

► Based on Consolidated Statement of Financial Position

| | | | | | | |
|----------------------|------|-----------|-----------|-----------|-----------|-----------|
| Shareholder's Equity | ₹ Mn | 506,113 | 503,217 | 597,560 | 619,564 | 656,301 |
| Net Debt | ₹ Mn | 618,442 | 583,567 | 605,416 | 668,417 | 838,883 |
| Capital Employed | ₹ Mn | 1,124,555 | 1,086,784 | 1,202,976 | 1,287,981 | 1,495,184 |

► Key Ratios

| | | | | | | |
|----------------------------------|-------|--------|--------|--------|--------|--------|
| Capex Productivity | % | 69.17 | 69.12 | 72.91 | 77.40 | 70.04 |
| Opex Productivity | % | 43.84 | 45.43 | 45.20 | 43.79 | 42.98 |
| EBITDA Margin | % | 32.57 | 30.34 | 32.47 | 34.17 | 35.42 |
| EBIT Margin | % | 13.97 | 11.08 | 14.22 | 17.23 | 17.24 |
| Return on Shareholder's Equity | % | 8.57 | 4.51 | 5.04 | 8.52 | 8.60 |
| Return on Capital Employed | % | 7.06 | 5.68 | 6.65 | 8.05 | 8.89 |
| Net Debt to EBITDA | Times | 2.60 | 2.51 | 2.19 | 2.08 | 2.47 |
| Interest Coverage Ratio | Times | 9.11 | 6.79 | 7.58 | 8.43 | 7.04 |
| Book Value Per Equity Share | ₹ | 133.27 | 132.51 | 149.49 | 154.99 | 164.18 |
| Net Debt to Shareholders' Equity | Times | 1.22 | 1.16 | 1.01 | 1.08 | 1.28 |
| Earnings Per Share (Basic) | ₹ | 11.22 | 6.00 | 7.02 | 12.97 | 13.72 |

► Contribution to Exchequer (India)

| | | | | | | |
|--------------------------------------|------|---------|---------|---------|---------|---------|
| Taxes, Duties, Fees and other Levies | ₹ Mn | 119,082 | 141,513 | 213,324 | 237,688 | 284,215 |
|--------------------------------------|------|---------|---------|---------|---------|---------|

All figures are based on Consolidated Financial Statements (IFRS).