



**ANNUAL REPORT**  
2017–18

**STRONGER TOGETHER. FOR YOU.**

**Vodafone Idea Limited**

India's #1 Telecom company



**Vodafone Idea Limited** (formerly Idea Cellular Limited)

An Aditya Birla Group & Vodafone partnership



**Mr. Aditya Vikram Birla**  
We live by his values.  
Integrity, Commitment, Passion, Seamlessness and Speed.

---

## The Chairman's Letter to Shareholders



Dear Shareholder,

### Global Economy

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that global real GDP grew 3.8% in 2017. This is the highest growth pace over the last six years. It is also the broadest synchronized global growth upsurge, since 2010 as underlined by IMF.

This impetus from a supportive monetary policy was further buoyed by a revival of investment spending in advanced economies. The expansionary fiscal and monetary policies in

the US led to improve growth prospects. The US grew at 2.3% in 2017 as against 1.5% in 2016. Growth accelerated in Europe and Asia too.

The global economic recovery is expected to continue. For the current and the next year, a growth at 3.7% is projected. This positive outlook is somewhat clouded. Increased trade protectionism, rising international crude oil prices, geo-political risks and the uncertainty about normalization of monetary policies in advanced economies from highly accommodative conditions in the past, are some of the factors that dim the outlook.

---

India's economy is emerging strongly from the transitory effects of demonetization and implementation of Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY17 to 6.7% in FY18, the economy recorded a seven-quarter high GDP growth of 7.7% in the exit quarter of FY18.

---

## Indian Economy

India's economy is emerging strongly from the transitory effects of demonetization and implementation of Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY17 to 6.7% in FY18, the economy recorded a seven-quarter high GDP growth of 7.7% in the exit quarter of FY18. This reflects momentum.

India's macroeconomic indicators remain healthy. The fiscal deficit has been cut to 3.5% of GDP. India's foreign exchange reserves as at March end stood at a comfortable level of \$424 billion.

Investors seem to be positive on India's economic prospects. The Foreign Direct Investment (FDI) flows continue to be encouraging. India's global ranking on the ease of doing business notched up to 77 from 142 in barely four years, while that on global competitiveness index has climbed from 71<sup>st</sup> in 2014-15 to 39<sup>th</sup> in 2016-17.

The prevailing sense of optimism accentuates India's continuing economic growth in the future as well. It is attributable to the country's solid fundamentals, such as deleveraging by corporates, resulting in much stronger balance sheets, better capacity utilization with consumption demand becoming stronger, and insolvency and bankruptcy process weeding out non-performing assets, among others. The Government's unwavering push for infrastructure projects – Bharatmala Pariyojana, airports, metros, affordable housing, urbanization, smart cities and digitization are excellent stimulators for the economy's growth in the medium-term.

At the same time, we cannot ignore near-term challenges. The bucket of concerns consist of rising oil prices, hardening inflation, firming bond yields and widening current account deficit. The ongoing global trade frictions, particularly between the US and China, are worrisome and can have a spillover negative effect on countries like India. So the terrain ahead could be a tad bumpy depending on the economic and geopolitical environment.



## Your Company's Performance

The Indian mobile industry witnessed yet another year of hyper-competition, with major disruption coupled with high regulatory headwinds. As you are aware the new 4G operator has offered abysmally low priced plans. This led to an explosion in the voice and data volume growth. Aggressive price plans including the deeply discounted unlimited voice bundled data plans had to be offered by incumbent operators to retain the existing subscribers.

The impact of steep reduction in domestic and international MTC settlement rate impaired your Company's revenues and earnings. Consequently, high ARPU consumers migrated to lower priced 'unlimited voice bundled data plans'. In this environment, the gross revenue attained by the Company was Rs.282,789 million, a decline of 20.5% vis-à-vis the previous year.

As your company continues to expand its scale of operations, the operating expenses have risen. This, along with the revenue pressure resulted in a decline of 41% in your Company's EBITDA during the current financial year to Rs. 60,476 million (vs Rs. 102,436 million in FY17). The EBITDA margin for the year declined to 21.4% from 28.8% in FY17.

The 'Depreciation & Amortisation' charge and 'Interest & Financing Cost (Net)' for FY18 stood at Rs. 84,091 million and Rs.44,600 million respectively. Your Company saw an unprecedented standalone PAT loss of Rs.41,628 million in FY18 (vs PAT loss of Rs. 4,075 million in FY17). The consolidated Total Comprehensive Income (including proportionate share from Indus & ABIPBL) stands at a loss of Rs. 41,399 million in FY18 (vs loss of Rs. 4,040 million in FY17). The 'Net Debt' as on 31st March 2018 stands at Rs.523.3 billion. This is inclusive of a large component of debt from DoT under 'Deferred Payment Obligation' for Spectrum acquired in Auctions.

Your company continued aggressive expansion of its wireless broadband infrastructure, adding 44,856 broadband sites (3G+4G) during the year. The broadband sites increased

---

The impact of steep reduction in domestic and international MTC settlement rate impaired your Company's revenues and earnings. Consequently, high ARPU consumers migrated to lower priced 'unlimited voice bundled data plans'. In this environment, the gross revenue attained by the Company was Rs.282,789 million, a decline of 20.5% vis-à-vis the previous year.

---

---

As I apprised you earlier, Vodafone's operating telecom entities were to merge with your Company. I am pleased to highlight that the merger is now complete with National Company Law Tribunal, Mumbai bench having passed the final order on 30<sup>th</sup> August, 2018. The merger became effective from 31<sup>st</sup> August, 2018.

---

from 110,054 as of 31st March 2017 to 154,910 sites as of 31st March 2018, taking the overall network footprint on EoP to 286,356 sites (GSM+3G+4G). The wireless broadband population under coverage now expands to over 650 million Indians spread across 164,000 towns and villages in 22 service areas. Idea also started deploying its capacity spectrum (TDD) of 2300 MHz in its leadership circles of Maharashtra & Kerala and 2500 MHz spectrum in Andhra Pradesh to further augment its wireless data capacity. Further, your Company expanded its fibre network to 156,800 km as on 31st March 2018.

As I apprised you earlier, Vodafone's operating telecom entities were to merge with your Company. I am pleased to highlight that the merger is now complete with National Company Law Tribunal, Mumbai bench having passed the final order on 30<sup>th</sup> August, 2018. The merger became effective from 31<sup>st</sup> August, 2018. Approvals from the Department of Telecommunications, Government of India, the Stock Exchanges and the Competition Commission of India were obtained. With this development and the merger process duly done, your company's name stands changed to Vodafone Idea Limited.

### **The Aditya Birla Group: In Perspective**

The year 2017-18 has been a momentous year on all counts. We reached a record revenue of \$ 43 billion with an EBITDA of \$ 6 billion. Our Group's market cap crossed the \$ 50 billion mark. These spectacular achievements are a reflection not only of our growing size and scale, the inherent soundness of our strategies and operations, but importantly the enormous confidence that investors and other stakeholders have reposed in us.

I am delighted to share with you that Aon Hewitt, a reputed global consulting firm, in the 'Best Employers 2018' study conducted by them, have named our Aditya Birla Group as the 'Best Employer' in India.

**Moving on to our people processes**, what strikes me most is that the development and leadership aspects embedded in it, are all futuristic. I believe, we are headed in the right direction. Let me give you a flavour of what we have accomplished and how we are constantly refreshing and reengineering our HR initiatives.

Our Group HR has formulated a unique proposition for leadership development through the 2x2x2 formula. It is structured in a manner that accords opportunities to high talent to work in two businesses across two geographies and in two functions. Such an approach, should give a holistic experience and help prepare our leaders of the future.

I had apprised you earlier on the talent councils led by Business Heads and Directors at Group, business and at the functional levels. So far more than 250 talent councils meetings have been held with over 8000 development conversations and actions initiated for these colleagues. I have attended several of these meetings and am much encouraged by the positivity and enthusiasm they generate among employees down the line. They rightly believe that talent will always bubble to the top.

More than ever before in the people domain two segments that have grabbed the attention of progressive corporates, comprise of the millennials and gender diversity issue. In our Group 52% of our executives are under 35 years of age. They are the leaders of tomorrow whom we need to groom today.

Today women constitute over 14% of our employee force. Game changing career enabling policies have been introduced. These include work life issues such as maternity, childcare, flexi time, local commute and accompanied travel for the child and the caretaker. Alongside as part of the family support initiative, paternity leave is also being provided.

For younger employees, through our flagship programme, which is the Aditya Birla Group Leadership Programme (ABGLP), we are

---

Today women constitute over 14% of our employee force. Game changing career enabling policies have been introduced. These include work life issues such as maternity, childcare, flexi time, local commute and accompanied travel for the child and the caretaker.

---

---

I take great pride in Gyanodaya bagging Gold Award as Best Corporate University – Culture and Brand in Global CCU Awards 2017, “for operating at the highest levels of excellence and creating value for people, business and society”.

---

building a robust talent pipeline at the entry, junior and middle levels who over the years move into senior leadership. From this cadre, over 350 youngsters have been placed across the Group.

Gyanodaya, the Aditya Birla Global Centre for Leadership and Learning continues its commitment to prepare P&L and manufacturing leaders through Accelerated Leadership Development programs. I take great pride in Gyanodaya bagging Gold Award as Best Corporate University – Culture and Brand in Global CCU Awards 2017, “for operating at the highest levels of excellence and creating value for people, business and society”.

The sales, marketing and customer centricity academy, the HR academy enabled 1765 managers hone their expertise to greater heights. The Gyanodaya virtual campus continues to offer 900+ e-learning modules in multiple languages. During the year nearly 40,000 employees leveraged the e-learning programme.

We are enhancing our HR processes for scale, agility and consistent employee experience. A comprehensive HR assurance and excellence framework, the HR portal to enable the last mile employee anytime anywhere connect, SeamEx, the Group HR Shared Services Center are milestones in this journey, as they enthuse and energize our people.

#### **In sum**

Our Group’s robust revenue growth, healthy EBITDA margins, deploying capital efficiently and generating cash flows, support our ambitious growth plans. Innovation and spirit of entrepreneurship that our employees bring to work is amazing and a major contributant to our Group scaling newer heights year after year.

Yours sincerely,



**Kumar Mangalam Birla**



# Contents

- 2 Board of Directors
- 3 Corporate Information
- 5 Performance Highlights
- 11 Directors' Report
- 48 Management Discussion And Analysis Report
- 59 Corporate Governance Report
- 78 Business Responsibility Report

## Standalone Financial Statements

- 95 Independent Auditor's Report
- 102 Balance Sheet
- 103 Statement of Profit and Loss
- 104 Statement of Changes in Equity
- 105 Statement of Cash Flows
- 107 Notes forming part of the Financial Statements

## Consolidated Financial Statements

- 153 Independent Auditor's Report on Consolidated Financial Statements
- 156 Consolidated Balance Sheet
- 157 Consolidated Statement of Profit and Loss
- 158 Consolidated Statement of Changes in Equity
- 159 Statement of Consolidated Cash Flows
- 161 Notes forming part of the Consolidated Financial Statements

# Board of Directors



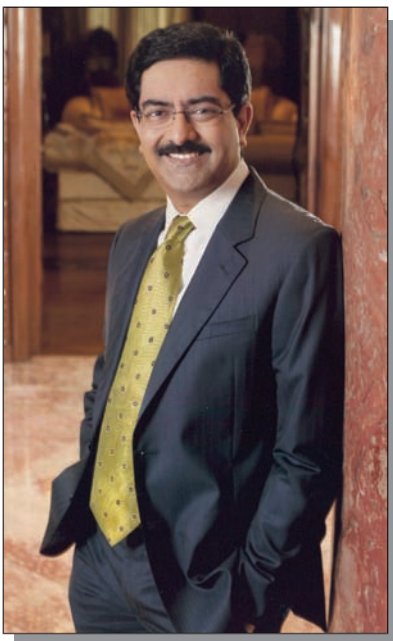
**Mr. Arun Adhikari**  
Independent Director  
(w.e.f. August 31, 2018)



**Mr. Arun Thiagarajan**  
Independent Director



**Mr. Ashwani Windlass**  
Independent Director  
(w.e.f. August 31, 2018)



**Mr. Kumar Mangalam Birla**  
Non-Executive Chairman



**Mr. D. Bhattacharya**  
Non-Executive Director  
(w.e.f. August 31, 2018)



**Mr. Himanshu Kapania**  
Non-Executive Director  
(Managing Director upto  
August 31, 2018)



**Ms. Neena Gupta**  
Independent Director  
(w.e.f. September 17, 2018)



**Mr. Ravinder Takkar**  
Non-Executive Director  
(w.e.f. August 31, 2018)



**Mr. Thomas Reisten**  
Non-Executive Director  
(w.e.f. August 31, 2018)



**Mr. Vivek Badrinath**  
Non-Executive Director  
(w.e.f. August 31, 2018)

# Corporate Information

## Managing Director

Mr. Himanshu Kapania  
(upto August 31, 2018)

## Chief Executive Officer

Mr. Balesh Sharma  
(w.e.f. August 31, 2018)

## Chief Financial Officer

Mr. Akshaya Moondra

## Company Secretary

Mr. Pankaj Kapdeo

## Statutory Auditors

S.R. Batliboi & Associates LLP  
Chartered Accountants,  
12<sup>th</sup> Floor, The Ruby,  
29, Senapati Bapat Marg,  
Dadar (West), Mumbai - 400 028

## Cost Auditors

Sanjay Gupta & Associates  
Cost Accountants  
C-4E/135, Janakpuri  
New Delhi - 110 058

## Secretarial Auditors

Umesh Ved & Associates  
Company Secretaries  
304, Shoppers Plaza V,  
Opp. Municipal Market,  
C.G. Road, Navrangpura,  
Ahmedabad - 380 009

## Debenture Trustee

IDBI Trusteeship Services Ltd.  
Asian Building, Ground Floor,  
17, R. Kamani Marg,  
Ballard Estate,  
Mumbai - 400 001

## Registered Office

Suman Tower,  
Plot No. 18, Sector - 11,  
Gandhinagar - 382 011  
Gujarat

## Corporate Office

Birla Centurion, 10<sup>th</sup> Floor,  
Century Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 030

## Registrar and Share Transfer Agents

Bigshare Services Pvt. Ltd.  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East),  
Mumbai - 400 059

## Corporate Identity Number (CIN)

L32100GJ1996PLC030976

## Website

[www.ideacellular.com](http://www.ideacellular.com)  
[www.vodafoneidea.com](http://www.vodafoneidea.com)



# Now, no more strangers on Idea's BIG 4G Network



ADITYA BIRLA GROUP



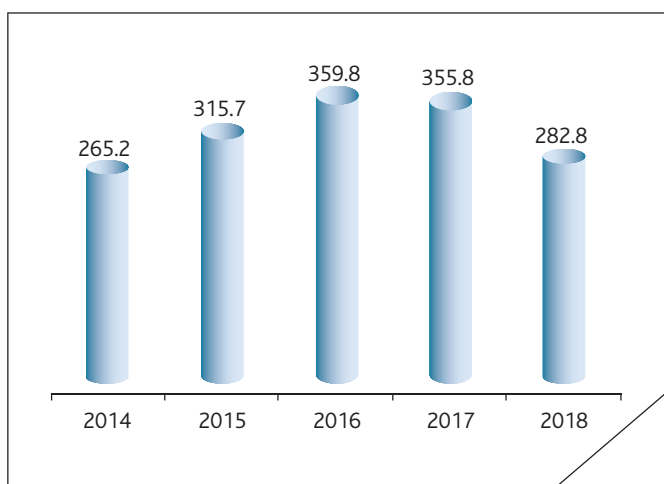
[www.ideagames.in](http://www.ideagames.in)

Idea Music App and Idea Movies & TV App is available for Idea customers only.  
The Idea Games App is available on the Android OS only. Conditions Apply.

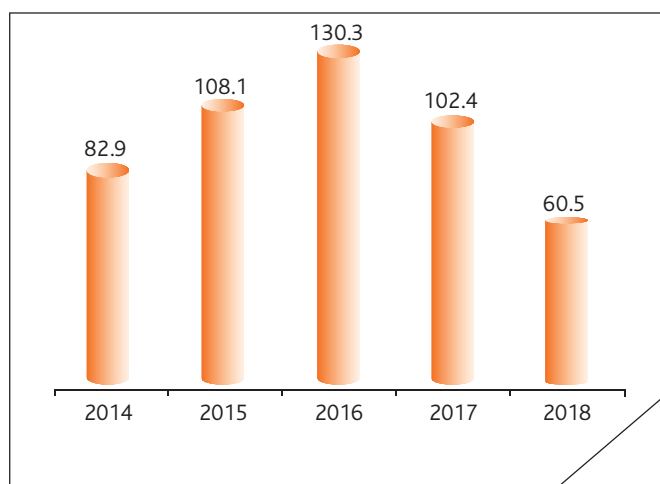
**An idea can change your life**

## Performance Highlights (Consolidated)

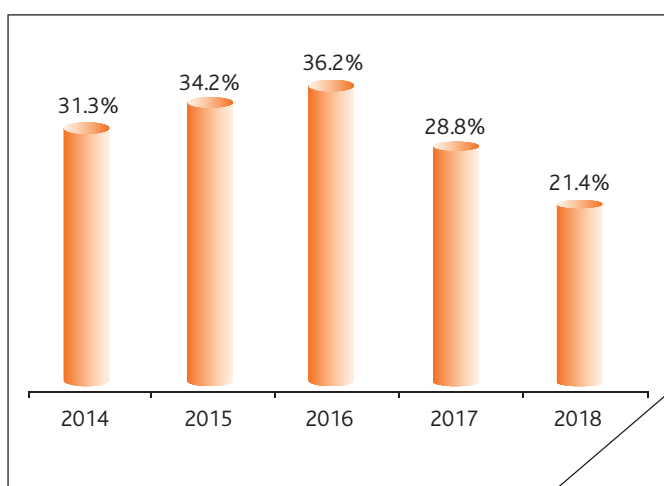
Revenue (₹ Bn)



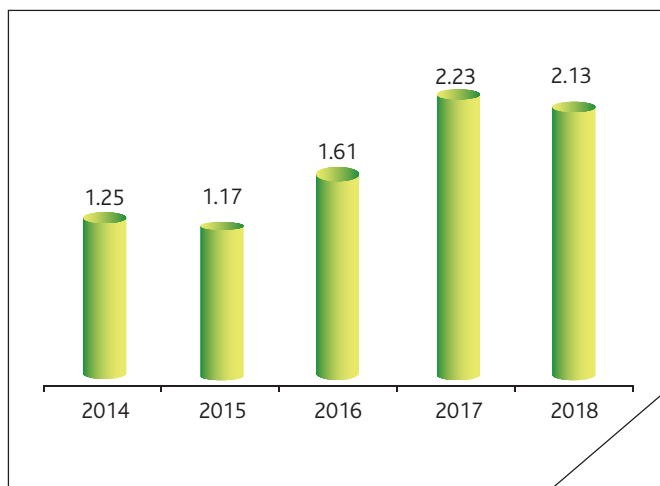
Operating EBITDA (₹ Bn)



Operating EBITDA (%)



Debt Equity



Note : FY 2017 and FY 2018 are based on Ind AS Financial Statements





# Buy any 4G smartphone & get ₹2000 Cashback\*.

Get 1.4GB/Day, Unlimited\* Calls, Roaming and 100 SMS/Day with RC199.



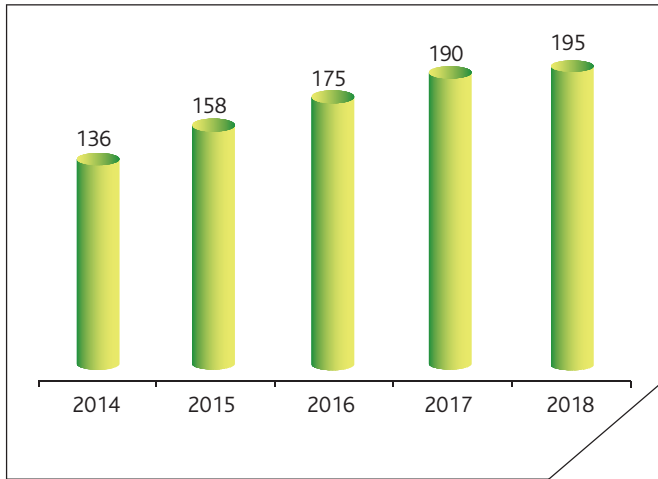
ADITYA BIRLA GROUP

\*Terms & Conditions Apply.  
Cashback is over a period of 36 months.  
RC199 is valid for 28 days.  
Commercial usage policy applicable.  
For more details, please visit [www.ideacellular.com](http://www.ideacellular.com).

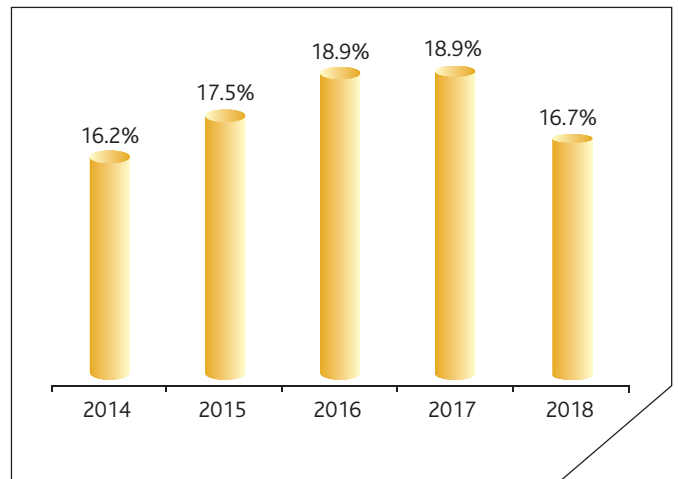
An idea can change your life

# Performance Highlights (Consolidated)

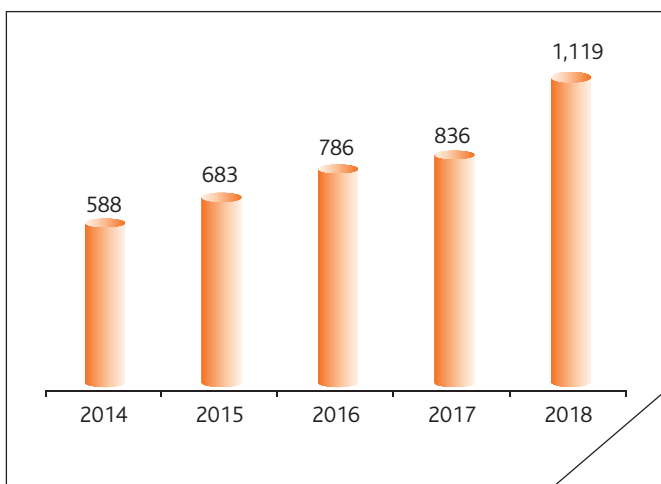
**EoP Subscribers (Mn.)**



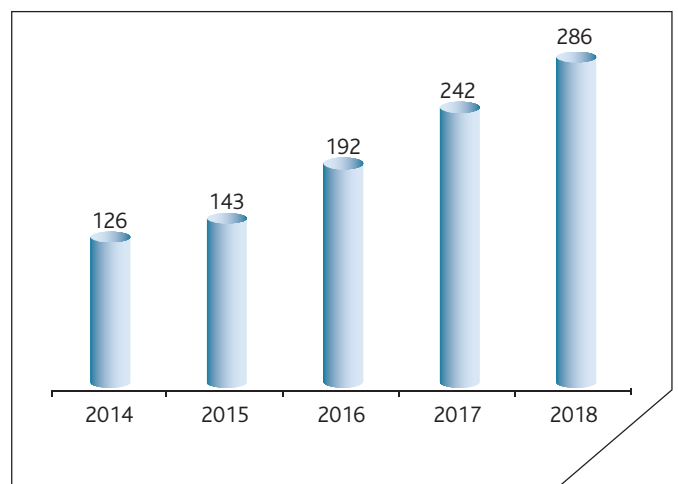
**Revenue Market Share (%)**



**MoU (Bn.)**



**Cellsites Count ('000)**



*Note : FY 2017 and FY 2018 are based on Ind AS Financial Statements*

Presenting



# POSTPAID Nirvana Plans

Unlimited\* Calls, SMS & Roaming | Data Carry Forward# | 20% Savings on Family Bill

**Now, it's all taken care of.**







# Dekho Bejhijhak Unlimited\* ₹199

1.4GB/DAY

ROAMING

UNLIMITED\*  
CALLS

SMS





# Now enjoy unlimited\* calls at ₹ 198

**!idea**

• Local & STD calls • 1GB data



₹ 178  
FOR NEW  
CUSTOMERS



ADITYA BIRLA GROUP

\*Terms & Conditions Applicable:  
Data benefit is applicable on Idea 4G/3G/2G network.  
Unlimited calls refer to local+STD on home network. 28 days validity.  
Commercial usage policy is applicable on all unlimited recharges.  
Visit [www.idealcellular.com](http://www.idealcellular.com) for detailed terms & conditions.

An idea can change your life



## Directors' Report

Dear Shareholders,

We have pleasure in presenting the Twenty Third Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31, 2018.

### Company Overview

Your Company is the third largest mobile telecommunications operator in the country in terms of subscriber base, with Pan India operations offering Voice, Broadband Data, Value Added Services (VAS), Digital Content and Mobile Banking Services. The Revenue Market Share (RMS) on Adjusted Gross Revenue basis (AGR) for your Company stands at 16.6% for the quarter ended March 2018. As of March, 2018, the subscriber base of your company stands at 207.7 Mn (on VLR), with subscriber market share of 20.8%.

Your Company provides mobile telecommunications services Pan India, 2G services in all 22 Service Areas, 3G services in 21 Service Areas and 4G services in 20 Service Areas. While the Company offers 3G services in 15 Service Areas and 4G services in 20 Service Areas pursuant to spectrum acquired, the Company also provides 3G services in six additional Service Areas through intra-circle roaming arrangements with other mobile telecommunications service providers. The Company also offers carriage and passive infrastructure services.

In March 2017, a merger between Vodafone India Limited ("VIL"), Vodafone Mobile Services Limited ("VMSEL") and your Company was announced, through a scheme of amalgamation and arrangement. The completion of the merger was subject to the receipt of certain regulatory approvals, which upon becoming effective, the entire business of VIL and VMSEL [excluding, among other things, VIL's investment in Indus Towers Limited, certain international network assets and certain information technology platforms] will vest unto your Company. As of the date of this report, all the requisite regulatory approvals have been received and the merger of VIL and VMSEL with the Company is in the final phase of completion.

Your Company holds an aggregate of 891.2 MHz spectrum across 22 Service Areas, of which 349.2 MHz has been acquired in October 2016 spectrum auction. This includes 149.2 MHz spectrum in frequency division duplex ("FDD") technology on 1800 MHz and 2100 MHz frequency bands and 200 MHz of capacity spectrum in time division duplex ("TDD") technology on 2300 MHz and 2500 MHz frequency bands.

During the year, your Company completed Pan India roll out of its broadband services. Your company now offers broadband services in all the 22 circles of India.

### Financial Results

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

The standalone and consolidated financial highlights of your Company for the Financial Year ended March 31, 2018 are summarized as follows:

Particulars	₹ Mn			
	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Income from Services	278,000	352,565	282,471	355,527
Other Operating Income	286	222	318	231
Other Income	2,982	1,970	3,530	3,069
Total Revenue	281,268	354,757	286,319	358,827
Operating Expenses	221,828	252,167	222,314	253,321
EBITDA	59,440	102,590	64,005	105,506
Depreciation and Amortisation	83,161	77,000	84,091	78,272
EBIT	(23,721)	25,590	(20,086)	27,234
Interest and Finance charges	49,246	39,780	48,130	40,085
EBT	(72,967)	(14,190)	(68,216)	(12,851)
Share of JV/Associates	-	-	3,224	4,218
Taxes	(25,159)	(5,879)	(23,310)	(4,636)
Profit / (Loss) after Tax	(47,808)	(8,311)	(41,682)	(3,997)
Other Comprehensive Income, net of tax	280	(32)	283	(43)
Total Comprehensive Income	(47,528)	(8,343)	(41,399)	(4,040)

### Operations Review

The Indian wireless industry continued to witness elevated hypercompetitive tariff intensity during Financial Year 2017-18. This has resulted in smaller mobile telecommunications operators exiting the market or significantly scaling down their operations during the year. The incumbent operators, in order to retain existing subscribers, offered aggressive price plans in response to heavily discounted unlimited bundled plans of the new operator. This resulted in explosive growth of voice and data volume, but the sharp drop in realizations for both voice and data and the subsequent decline in customer ARPU negatively impacted the revenues. This has resulted in the standalone revenue of your Company dropping to ₹ 278,286 Mn, resulting in a second consecutive annual revenue decline which for this year is 21.1%. The EBITDA fell to 59,439 Mn, registering a decline of 42.1% over the previous year. The Net Loss of the Company for the Financial Year March 31, 2018 stood at ₹ 47,808 Mn, for Financial Year 2017-18 vis-à-vis ₹ 8,311 Mn, for the previous year.

On a consolidated basis, the total revenues stood at ₹ 286,319 Mn, a decline of 20.2% over the previous year. The EBITDA at ₹ 64,005 Mn reflects decrease of 39.3% as compared to the previous year. The consolidated Net Loss stood at ₹ 41,682 Mn, for Financial Year 2017-18 vis-à-vis ₹ 3,997 Mn for the previous year.

Despite the deep discounted offerings by new operator, your Company continues to maintain and grow its subscriber base. As on March 31, 2018, the reported subscriber base of your Company was 194.5 Mn, an increase of 5 Mn subscribers over last 12 months period. The VLR subscriber base of your Company grew by 4.7% during the same period and stands at 207.7 Mn representing market share of 20.8% as on March 31, 2018.

With over 207 Mn VLR subscribers, the Company opens multiple vistas for growth in Broadband, Digital Content and Payment Services etc.

Your Company carried 1,119 billion voice minutes on its network during Financial Year 2017-18, a growth of 33.8% compared to 836 billion minutes in previous year. The total data usage of 2081 billion MB registered a growth of 3.8x, compared to previous year.

During the Financial Year 2017-18, your Company continued aggressive expansion of its wireless broadband infrastructure, adding 44,856 broadband sites (3G+4G) during the year. The broadband sites increased from 110,054 as of 31st March 2017 to 154,910 sites as of 31st March 2018, taking the overall network footprint on EoP to 286,356 sites (GSM+3G+4G). The wireless broadband population under coverage now expands beyond 650 million Indians spread across 164,000 towns and villages in 22 service areas. Your Company started deploying 2300 MHz TDD spectrum in its leadership circles of Maharashtra & Kerala and 2500 MHz TDD spectrum in Andhra Pradesh to further augment its wireless data capacity. The company expanded its fibre network from 115,500 km (March 31, 2016) to 156,800 km as on March 31, 2018. Your Company also launched VoLTE (Voice over LTE) services in all 20 4G service areas, which will offer High Definition call quality as compared to a standard voice call.

#### Dividend

As your Company has incurred a net loss during the year, your Directors have not recommended any dividend for the year.

#### Transfer to Reserves

During the financial year under review, the Board has not proposed to transfer any amount to Reserves.

#### Changes in Share Capital

During the year under review, your Company had raised ₹ 3,500 crores by issuing 424,242,424 Equity Shares of face value of ₹ 10/- each at an issue price of ₹ 82.50 per Equity Share to Qualified Institutional Buyers under the Qualified Institutions Placement in accordance with the provisions of the Companies Act, 2013 and Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further, the Company also raised ₹ 3,250 crores by issuing 32,66,33,165 Equity Shares of ₹ 10/- each at an issue price of ₹ 99.50 per Equity Share on a preferential basis under Chapter VII of SEBI (ICDR) Regulations, 2009, to Promoter and Promoter Group entities viz , Birla TMT Holdings Private Limited, Elaine Investments Pte. Ltd., Singapore and Oriana Investments Pte. Ltd., Singapore.

Additionally, your Company issued and allotted 3,117,110 Equity Shares of ₹ 10/- each, fully paid-up, to the Option/ RSU grantees pursuant to the exercise of Stock Options/Restricted Stock Units (RSU's) by the eligible employees under the Employee Stock Options Scheme, 2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013).

Consequent to the above, the issued, subscribed and paid-up Equity Share capital of your Company as on March 31, 2018 stood at ₹ 43,593,209,300 comprising of 4,359,320,930 Equity Shares of ₹ 10/- each.

#### Finance

As on March 31, 2018, the Company had cash and cash equivalents of ₹ 190 Mn and short-term investments of ₹ 45,279 Mn. The Company's net debt as on March 31, 2018 increased by ₹ 24,375 Mn to ₹ 534,350 Mn as compared to ₹ 509,975 Mn last year. The Net Debt - EBITDA ratio as on March 31, 2018 stood at 8.99 times as compared

to 4.97 times in the previous year, mainly on account of increased borrowings and reduced EBITDA. The Net Debt-Equity ratio stood at 2.08 times as on March 31, 2018, compared to 2.15 times in the previous year.

#### Credit Rating

Your Company enjoys credit rating of 'CARE AA' for its Long Term borrowings and Non-Convertible Debentures and CARE A1+ for its short term debt program. On the outlook front, CARE has assigned the outlook of 'Credit Watch with developing implications'. Additionally, Brickwork Ratings has also assigned credit rating of "BWR AA+" with Stable Outlook for Non-Convertible Debentures amounting to ₹ 3,500 crore.

#### Capital Expenditure

Your Company continues to expand its telecommunication infrastructure on 2G, 3G and 4G technology and Optical Fibre Cable (OFC) transmission backbone network (own and through IRU arrangements with other companies) along with building core subscriber and traffic capacities as required. Your Company's telecom network now offers its GSM services covering over 1 billion Indians in around 3,95,000 towns and villages. Further, your Company's mobile broadband services are now available to approximately 650 Mn Indians across nearly 1,64,000 towns and villages in 21 service areas.

During the Financial Year 2017-18, the capital expenditure (including capital advances) incurred during the year was ₹ 72,848 Mn and ₹ 73,031 Mn at standalone and consolidated levels respectively.

#### Deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

#### Significant Developments:

- **Sale of Tower Business**

On November 13, 2017, your Company approved the sale of the Company's standalone tower business held by its wholly-owned subsidiary, Idea Cellular Infrastructure Services Limited (ICISL) to American Tower Corporation (ATC) Telecom Infrastructure Private Limited Company with an enterprise value of ₹ 40 billion, subject to customary closing adjustments including for debt and cash. The sale of the standalone tower business was completed on May 31, 2018 by way of sale of the entire shareholding held by the Company in ICISL to ATC.

- **Merger of Vodafone India Limited and Vodafone Mobile Services Limited with the Company**

The Board of Directors of your Company had at its Meeting held on March 20, 2017, approved merger of Vodafone India Limited (VIL) and Vodafone Mobile Services Limited (VMSL) (excluding VIL's 42% equity interest in Indus Towers Limited) with your Company (Idea), subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, the Competition Commission of India, the Department of Telecommunications (DoT), the Foreign Investment Promotion Board (FIPB), the Reserve Bank of India (RBI), other governmental authorities and third parties as may be required.

On the Scheme of Amalgamation becoming effective, existing shareholders of VIL (VIL promoters) will own 45.1% of the combined Company after transferring a 4.9% stake to the Aditya Birla Group for an agreed consideration concurrent with completion of the

merger. The Aditya Birla Group will then own 26.0% of the combined Company and Idea's other shareholders will own the remaining 28.9%. The Aditya Birla Group has the right to acquire up to 9.5% additional stake from VIL promoters under an agreed mechanism with a view to equalising the shareholdings over time. Until equalisation is achieved, the additional shares held by VIL promoters will be restricted and votes will be exercised jointly under the terms of the shareholders' agreement. The combination will be jointly controlled by VIL promoters and the Aditya Birla Group. Further, all subsidiaries, associate and joint ventures of VIL and VMSL shall become subsidiaries, associate and joint ventures of the combined Company.

The Company has received unconditional approval from the Competition Commission of India (CCI) on July 24, 2017 and has also received no-objection from BSE Limited and National Stock Exchange of India Limited on August 4, 2017. The Equity Shareholders, Secured and Unsecured Creditors of the Company have approved the amalgamation in their respective meetings held on October 12, 2017. Further, the National Company Law Tribunal (Ahmedabad Bench) approved the scheme on January 11, 2018. The transferor Companies' i.e. VIL and VMSL have also received approval from the National Company Law Tribunal (Mumbai Bench) December 12, 2017 vide order pronounced on January 19, 2018. Further, the Company has received approval for increase in foreign investment of upto 100% from the Department of Telecommunication on June 4, 2018. Further, the Reserve Bank of India has also approved the acquisition of shares by VIL promoter vide approval dated June 13, 2018.

The Board also wish to inform you that with the receipt of the final approval of the Department of Telecommunications on July 26, 2018, the merger of VIL and VMSL with the Company is in the final phase of merger completion.

- **Name Change of the Company**

With the merger of Vodafone India Limited (VIL) and Vodafone Mobile Services Limited (VMSL) with your Company in final stages, the Board of Directors of your Company had approved the change of the name of the Company from Idea Cellular Limited to "Vodafone Idea Limited" on May 18, 2018. Further, members also approved the aforesaid change of name of the Company at the Extra-ordinary General Meeting held on June 26, 2018. It is intended that the Company is able to use the new name i.e. Vodafone Idea Limited, from the date on and from which the amalgamation of VMSL and VIL with the Company becomes effective.

- **Merger of Idea Mobile Commerce Services Limited with Aditya Birla Idea Payments Bank Limited**

The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank Limited (ABIPBL), an associate was approved by the Hon'ble High Court of Delhi and Mumbai. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective from February 22, 2018, IMCSL has been amalgamated with ABIPBL.

Pursuant to the merger, the Company was allotted 104,869,800 Equity Shares of ABIPBL in lieu of the shares held in IMCSL. Pursuant to the said allotment, the Company now holds 49% stake in ABIPBL.

- **Proposed merger of Indus Towers Limited**

The Company, along with its wholly owned subsidiary Aditya Birla

Telecom Limited (together referred to as Idea Group), Bharti Airtel Limited and Vodafone Group has entered into a transaction for amalgamation of Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL). Idea Group has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. The transaction is subject to requisite regulatory / corporate approvals and certain closing conditions.

#### Awards and Recognitions

Some key awards and recognitions received by your Company are:

- Idea was listed among Top 3 brands in Telecom in afaqs! India's Buzziest Brands of 2017 poll.
- Listed among the "Top 25 Companies to work for" in the Year 2017 by Business Today.
- Ranked 3<sup>rd</sup> in the telecom category in "India's Most Trusted Service Brands 2017" by ET and was at No. 14 in the overall industry ranking – a huge jump from 36<sup>th</sup> position in the previous year.
- Idea Won 5 awards in Telecom Leadership Forum 2017 organised by Voice & Data in the following categories (i) Internet & Broadband Services category for Operator Billing on Google Play – an industry first (ii) Marketing category for Chillar Recharge (iii) Network Security for Privacy Framework Implementation (iv) VAS & Apps for Idea Movies & TV app and (v) Business Process Innovation for 4G SIM Upgrade for 4G smartphone customers.
- Idea was voted by investors as one of Asia's Best Companies in 2017 in a poll conducted by Finance Asia in these categories of (i) Best CFO (ii) 2<sup>nd</sup> in the Best CEO category (iii) 4<sup>th</sup> among companies that are Most Committed to Corporate Governance (iv) 4<sup>th</sup> among companies that are Best at CSR and (v) 7<sup>th</sup> among the companies that are Best at Investor Relations.
- Idea won the ET Telecom Award 2017 for the 'Best Enterprise Mobility Service Provider' for Logistics Tracking Solution.
- Idea was awarded the "Golden Peacock Award" for Corporate Social Responsibility for being the best among the Indian Telecom Companies for CSR.

#### Marketing and other Initiatives

During the year under review, your Company together with its subsidiaries made extensive progress on the marketing and customer care front by entering into various alliances, introducing various innovative products and services. Some of these are:-

- Your Company focused all its advertising efforts this year on building Idea as a strong 4G player. Idea launched 6 TV campaigns this year, building 4G credentials – Network, Product Portfolio - Mobile Apps & Postpaid Plans, Affordability – Handset bundled offer & Unlimited offers. These were high decibel TV campaigns, supported with Radio, Outdoor and Digital among other media.
- Expanding its 4G footprint to 20 circles, Your Company launched the "India Jitna Bada network" campaign. The #LookLook television commercial showcased that with Pan India 4G coverage, everyone is now hooked on to Idea 4G across India.
- Your Company's next campaign helped build relevance for 4G usage through the launch of Idea Mobile apps portfolio - Idea Games, Idea

Movies & TV and Idea Music. The campaign positioned Idea's apps as the ultimate icebreaker that enables people to find common ground and make new connections. The "No Ajnabi with Idea 4G" TVC showcased a young protagonist converting strangers into friends using Idea's Mobile apps.

- Idea's most impactful campaign this year – "A video can change your life" was aimed at changing the category conversation by elevating the role of Idea 4G beyond functional attributes like speed and coverage to something that reflects its transformative role in people's lives and society. For a nation like ours, videos did not just entertain people, but influenced their view, inspired them, moved and led people to positive actions. This campaign was inspired by the many transformational stories enabled by videos that reach millions of people on Idea's big 4G network.
- Your Company launched three big offers this year that helped build Idea's value for money proposition through "Unlimited recharges". The first campaign "Ye hui na baat" launched the ₹ 179 pack that allowed customers to make unlimited voice calls. "Dekhte Jao" campaign was launched to promote the Unlimited data recharges portfolio along with 'Jeeto Bejhijhak' consumer promo. The campaign is a celebration of endless video watching with Idea 4G's Unlimited Recharges that offer abundant data. The Handset bundled offer campaign was launched to get a disproportionate share of customers who are buying a new 4G handset. The campaign message was "Buyer jo bhi, 4G smartphone koi bhi, ₹ 2000 cashback with Idea 4G".
- For the first time ever, Idea launched an ATL campaign on Postpaid. The last campaign of the year launched a new offering - Idea Postpaid Nirvana Plans. They were launched as a one-stop-solution for customers who were looking for a holistic solution beyond mobile connectivity that would make his/her life convenient and stress free. With the freedom of unlimited calls, non-stop internet with data carry forward, device security, the free roaming across India, ISD benefits and the privilege of priority service - "Everything is taken care of" with Idea's Nirvana Postpaid Plans.
- Owing to the successful campaigns, your brand has won the following awards and recognitions – among the top 15 brands on "Brand Equity's Most Trusted Brands" (2017), among the Top 15 brands on "Most Valuable Brand by BrandZ" (2017), among the top 25 "Best Indian Brand by Interbrand" (2017), won a Silver at Maddies 2018 for "Best Use of Social Media" on Idea 4G #LookLook campaign.
- In order to establish itself as the 'Preferred 4G Smart phone operator' and increase the count of 4G Smartphones landing on the Idea network, Your Company launched first of its kind 'Cash for All' offer which provided customers who upgrade to new 4G Handsets of any brand on Idea network, cashback upto ₹ 2000 to be given across a period of 36 Months.
- Your Company has taken a significant initiative to increase adoption of 4G technology, thereby delivering a better customer experience. Through the comprehensive 4G Handset upgrade program in both prepaid and postpaid, customers have been incentivized to upgrade to 4G handsets.
- Idea Select was a loyalty program launched exclusively for the high value Nirvana customers where the subs were given additional benefits basis partner tie ups. Apart from the various telco and partner benefits Nirvana customers are supposed to enjoy priority service at Call centres and Stores.
- Delivering superior customer experience is a key pillar of sustainable growth and profitability. With this objective in mind, your company

launched the additive validity feature on unlimited packs, wherein, customers doing multiple recharges on unlimited products can accumulate the validity of all packs vs. validity override in the earlier approach. This enabled 100% customer value delivery resulting in enhanced customer experience.

- Committed towards enabling ease of business at trade, your company also launched "Chillar Recharge" to address the issue of tendering Change against recharges with Non 10x denominations. Your company built capability on USSD and R-SMART App wherein, Retailers get an option to recharge with the Change MRP denomination rounded up to the Next 10x MRP or recharge with some other MRP in the same session without exiting the session.
- Your company also launched the "Ring Me Back" service for its prepaid customers. This service enables a customer with insufficient balance to beep/SMS a B'Party customer for intimation that he has tried to connect with B'Party. Post Beep /SMS B'Party can initiate a call back.
- Idea for the first time also launched "Corporate Plus" plans for the COCP segment. The plan ensured a fixed limited COCP benefit for the end consumer and post utilization of these benefits the subscriber could go ahead and recharge with any pre-paid open market RC. This ensured that the customer continued to use the Idea COCP SIM as a primary SIM even after the freebies were exhausted even for his personal use.
- Your Company partnered with popular digital wallets to create more value for your customers through exciting cashback offers launch, making our plans more affordable and convenient to recharge Under the overarching digital drive, Idea also launched the exclusive SONY LIV campaign on Postpaid during the FIFA world cup 2018 (Sony LIV had exclusive digital viewership rights in India).

### *Growth of Digital Idea*

Over a year into the journey of "Digital Idea", your Company has made headway with suite of exciting Mobile Apps and services- Idea Music, Idea Movies & TV, Idea Games and latest addition in the portfolio – a News & Magazines offering. Committed to the Prime Minister's Digital India vision, your Company is focusing on transformation from a Telecom Service Provider to a Digital provider through inclusion rather than disruption. In Financial Year 2017-18 your Company made a 4.5 times year-on-year growth in digital penetration and aims to cover and digitally touch the lives of its growing 40 million mobile broadband subscriber base by end on next year.

Your Company has put tremendous energy behind innovation and digitalization through focus on customer centricity, improved UI/UX and hyper personalized offerings. The infotainment apps have received fantastic subscriber accolade – the Google play ratings are a testament of the same: Idea Movies and TV, and Idea Music maintain high ratings of 4.4 and 4.2 respectively. This year, Idea Movies and TV also won Telecom Leadership Awards 2017- Voice and Data.

Customers who prefer Idea's own digital channels for recharges, payments and product activations are rising steadily. Your Company continues to encourage online adoption and drive Digital enablement by augmenting the capabilities of its Website and 'My Idea' application. 'My Idea' mobile application for self-care and product purchases caters to more than 150 Mn self-service requests per month initiated by its 33 Mn subscribers. Today, 'My Idea' on iOS has the highest rating of 4.8 amongst all operators.

With an introduction of a formal 'Customer experience management' and 'Analytics @ Digital' program, 'Customer Experience' forms the core of every single Digital journey. This investment enables your Company



to provide proactive care, quicker resolutions and greater uptake through real time contextual and hyper personalized analysis. Your Company has also introduced a simplified channel for getting new Idea connections through Free Home Delivery service of SIM Cards.

Your Company has also ventured into alternate and new digital stream of revenues through setting up of the Asset Monetization business, based on concept of Application Programming Interface (APIs) in the area of Mobile Advertising, location based services and credit insights for the financially unbanked and underserved customers, reiterating its commitment towards financial inclusion and Digital India.

#### **Launch of VoLTE Services**

Your Company is pleased to announce the launch of VoLTE (Voice over LTE) services in all 20 4G service areas, which will offer High Definition call quality as compared to a standard voice call. Currently VoLTE is available on 115 Handset models and is been used by 1 million customers experiencing high speed 4G network and un-interrupted internet experience while using voice service.

#### **My Network**

Your Company is pleased to announce the launch of 'My Network' services to all its subscribers. Using this service, subscribers can access Idea's 2G, 3G, 4G Voice and Data coverage details, My Idea store location and Tower information graphically on a map. This service is accessible through all digital mediums i.e. My Idea website, My Idea app.

#### **Partnership with Handset OEM / Handset Cashback campaign**

Handset affordability is a major barrier to 4G adoption. In an industry first, your company launched a mega cashback offer on all new 4G Smartphones. Customers gets a cashback of ₹ 2,000 when they buy a new 4G Smartphone of any brand. The focus of this offer is to aid customers in upgrading to 4G handsets by making them more affordable. Your company also partnered with Xiaomi, Lenovo, Vivo, Moto, Panasonic, Karbonn, OnePlus to offer special recharge offers on select handsets on their launch by the respective manufacturers which aided the landing of these partner phones on our network. A number of these tie-ups were accompanied by extensive print, digital and offline promotions in association with the partners.

Your Company also partnered with Amazon for their "Great Indian Sale" as an exclusive Telco with a special offer across all Smartphones and with Flipkart on a slew of their new launches including Billion, Vivo and other exclusive models.

#### **Subsidiaries and Joint Ventures**

As on March 31, 2018, your Company has four subsidiary companies, one joint venture company and one Associate company, details whereof are as under:

##### **Subsidiaries**

- **Aditya Birla Telecom Limited (ABTL)**

ABTL is engaged in the business of trading of mobility devices and holds 11.15% shareholding in Indus Towers Limited (Indus). For the Financial Year 2017-18, the total income (including dividend received from Indus) of ABTL stood at ₹ 3,360.59 Mn, a decline of 32.29% compared to the previous year.

- **Idea Cellular Services Limited (ICSL)**

ICSL is engaged in the business of providing manpower services to the Company and Idea Telesystems Limited. For the Financial Year

2017-18, the total income stood at ₹ 1,332.40 Mn, a decline of 15.22% compared to the previous year on account of rationalisation.

- **Idea Cellular Infrastructure Services Limited (ICISL)**

ICISL is a tower Company which owned telecom towers of your Company until May 2018 in all the 22 service areas. For the Financial Year 2017-18, the total income stood at ₹ 11,452.08 Mn, a growth of 50% compared to the previous year.

The Board of Directors of the Company at its meeting held on November 13, 2017 had approved the sale of its entire shareholding in ICISL to ATC Telecom Infrastructure Private Limited (ATC) for a consideration of ₹ 40,000 Mn. Consequently, in line with the requirements of Ind AS 105 – "Non-current Assets Held for Sale and Discontinued Operations", investment in ICISL of ₹ 4,865.08 Mn has been classified as Assets held for Sale. The said sale has been completed on May 31, 2018.

- **Idea Telesystems Limited (ITL)**

ITL is engaged in the business of trading of mobility devices. For the Financial Year 2017-18, the total income stood at ₹ 163.53 Mn, a decline of 54.4% compared to the previous year.

##### **Joint Venture Company**

- Indus Towers Limited (Indus), in which Aditya Birla Telecom Limited holds 11.15% stake, is a joint venture with the Bharti Group and Vodafone Group and provides passive infrastructure services in 15 service areas. The revenue from operations for the Financial Year 2017-18 was ₹ 187,865 Mn as against ₹ 175,280 Mn in the previous financial year registering a growth of 7.2%.

##### **Associate Company**

- Aditya Birla Idea Payments Bank Limited (ABIPBL), is an Associate Company wherein your Company currently holds 49% of the equity capital and the balance is held by Grasim Industries Limited. ABIPBL has received banking license for carrying on the business of Payments Bank from Reserve Bank of India (RBI) on 3rd April, 2017 and has also received an authorisation to carry on the business of Prepaid Payments Instrument business. Pursuant to commencement of operations of Payments Bank by Aditya Birla Idea Payments Bank Ltd (ABIPBL) on 22<sup>nd</sup> February, 2018, the Scheme of Amalgamation of Idea Mobile Commerce Services Limited with ABIPBL which was approved by the High Court(s) in January 2017, has become effective.

In accordance with the provisions contained in Section 136(1) of the Companies Act, 2013 (Act), the Annual Report of the Company, containing therein its standalone and the consolidated financial statements are available on the Company's website [www.ideacellular.com](http://www.ideacellular.com).

Further, pursuant to the said requirement, the financial statements of each of the aforesaid subsidiary companies are available on the Company's website [www.ideacellular.com](http://www.ideacellular.com) and shall be available for inspection during business hours at the Registered Office of the Company. Any member who is interested in obtaining a copy of the financial statements may write to the Company Secretary at the Registered Office of the Company.

In terms of provisions contained in Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and joint venture companies is provided as 'Annexure A' to this report.



### Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements forms part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The consolidated financial statements for the Financial Year ended March 31, 2018 are the Company's first IND-AS compliant annual consolidated financial statements with comparative figures for the year ended March 31, 2018 also under IND-AS.

### Risk Management

In compliance with the requirements of regulations contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, your Company has constituted a sub-committee of Directors known as Risk Management Committee, details whereof are set out in the Corporate Governance Report forming part of the Annual Report as to oversee Enterprise Risk Management Framework. Further, your Company has formally adopted a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

Your Company has a well-established Enterprise-wide Risk Management (ERM) framework in place or identification, evaluating and management of risks, including the risks which may threaten the existence of the Company. In line with your Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organized approach for evaluating and managing risks.

A detailed exercise is carried out to identify, evaluate, manage and monitor the risks. The Committee / Board periodically reviews the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework. It also provides control measures for risks and future action plans.

### Employee Stock Option Schemes

Your Company values its employees and is committed to adopt the best HR practices for rewarding them suitably. In this direction your Company had implemented the Employee Stock Option Scheme, 2006 (ESOS-2006) and Employee Stock Option Scheme, 2013 (ESOS-2013) with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company and made grants to eligible employees under ESOS-2006 and ESOS-2013 from time to time.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company's website [www.ideacellular.com](http://www.ideacellular.com).

A certificate from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), Statutory Auditors, certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations and the resolution passed by the Members, would be placed at the Annual General Meeting for inspection by Members.

### Internal Financial Controls and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

### Human Resources

The wireless telecom industry experienced an unprecedented disruption in the last year. In such a scenario, coupled with the rise of digital economy, agility in thought and action becomes more important than ever.

Your company, amidst such turbulent times, continues to be an Employer of Choice with high engagement scores, focus on learning & development, employee recognition and effective retention of high potential employees.

Your company's HR team has continued to be Strategic Partners for the Business by supporting the business in achieving sustainable and responsible growth by building the right capabilities in the organization. It continues to focus on progressive employee relations policies, creating an inclusive work culture and building a strong talent pipeline. As custodians of the Company's talent, team HR firmly believes in upskilling, empowering and unleashing talent that will trigger path-breaking achievements and help sustain the Company's performance. HR team is committed to develop new ways of creating and delivering value, re-defining organization structure, performance parameters, digitization and optimization of processes in the most cost effective way that will improve business performance. Your Company has been recognized as being amongst the "Top 25 Best Companies to Work For" conducted by Business Today.

Your Company has a multi-pronged approach to learning, with focused interventions in core and functional areas, organization-wide strategic interventions, as well as holistic leadership development programmes.

Your company has continuous focus on Diversity and Inclusivity. HR team has laid stress to build a women friendly workplace by introducing various initiatives around safety, development and progression of women in the organization.

Your Company has also focused on continual process improvement & innovation, building speed and agility in ways of delivering performance through Six Sigma and Lean methodologies.

These strategies have continued to have strong alignment with your Company's vision to successfully build and sustain Company's standing as one of India's most admired and valuable corporations despite unrelenting competitive pressures.

### Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A Report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. A certificate from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations forms part of the Annual Report.

## Business Responsibility Report

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective is presented in a separate section forming part of the Annual Report.

## Corporate Social Responsibility

In terms of the provisions of Section 135 of the Companies Act, 2013, read with companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance report, which forms part of this report.

Your Company has also in place a CSR Policy and the same is available on your Company's website <http://www.ideacellular.com/investor-relations/corporate-governance>.

During the Financial Year 2017-18, your Company spent ₹ 199.43 Mn towards CSR activities, which is 0.85% of the average net profits of the last three years. The significant disruption in the telecom industry had an impact on the financial performance of the Company, which has consequently led to decrease in the absolute spending towards CSR activities.

Your Company reached out to around 11 lakh people including children across 20 States. The Company's key objective is to make a difference to the lives of the underprivileged and help bring them to a self-sustaining level. Your Company began a program Vidya Har Beti Ka Adhikar that addresses the need of KHEL, KITAB and KHANA in government schools with a focus on girl schools. Your Company also supplemented the Government of India's initiative to enhance cleanliness across India's rich heritage sites through Swachh Iconic Place, Somnath temple project.

As a socially responsible caring Company, we are committed to play a larger role in India's sustainable development. That our projects make a difference has been recognized. The Company has received accolades from Gujarat Corporate Social Responsibility Authority, ET2Good4Good-Economic Times and ABG HR Excellence Awards 2017 for Employee Engagement-CSR/ER.

The particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in 'Annexure B' forming part of this Report.

## Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 ('Act') the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed;

- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the financial position of the Company at the end of the financial year and of the financial performance and cash flows of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts were prepared on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Directors

In accordance with the provisions of the Companies Act, 2013, Mr. Kumar Mangalam Birla retire from office by rotation, and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting of the Company.

During the year under review, Dr. Hansa Wijayasuriya, nominee of Axiata Group Berhad resigned from the Board of your Company with effect from March 30, 2018 pursuant to withdrawal of his nomination by the Axiata Group Berhad. Further, Mrs. Alka M. Bharucha, an Independent Director, has also resigned from the Board of your Company with effect from March 31, 2018 citing personal reasons. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Dr. Hansa Wijayasuriya and Mrs. Alka M. Bharucha in the deliberations of the Board during their tenure as Directors on the Board of Directors of the Company.

The Independent Directors have given the declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Brief profile of the directors proposed to be appointed/ re-appointed are annexed to the Notice convening Annual General Meeting forming part of this Annual Report.

## Key Managerial Personnel

In terms of the provisions of Section 203 of the Companies Act, 2013, read with the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Himanshu Kapania, Managing Director; Mr. Akshaya Moondra, Whole-time Director and Chief Financial Officer; and Mr. Pankaj Kapdeo, Company Secretary are the Key Managerial Personnel of the Company. They continue to hold the respective offices.

## Board Evaluation and Familiarization Programme

The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which the evaluation has been carried out has been provided in the Corporate Governance Report.

The details of programme for familiarization of Independent Directors of your Company is available on your Company's Website [www.ideacellular.com](http://www.ideacellular.com).

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The remuneration policy is attached as 'Annexure C' to this report.

### Dividend Distribution Policy

The Board has in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulated Dividend Distribution Policy. This Policy will provide clarity to the stakeholders on the dividend distribution framework of the Company. The Policy sets out various internal and external factors which shall be considered by the Board in determining the dividend payout. The dividend distribution policy is attached as 'Annexure I' to this report and is also available on the website of the Company [www.ideacellular.com](http://www.ideacellular.com).

### Board Meetings

During the year, seven meetings of the Board of Directors were held. The details of the meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### Board Committees

Your Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently eight committees of the Board, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Finance Committee
- Securities Allotment Committee
- Capital Raising Committee

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report.

### Audit Committee

The Audit Committee as on the date of the report comprises of three Non-Executive Directors, all of whom are Independent Directors. Mr. Arun Thiagarajan is the Chairman of the Audit Committee with other members being Ms. Tarjani Vakil and Mr. Baldev Raj Gupta. Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms part of this report. Mrs. Alka M. Bharucha and Dr. Shridhir Sariputta Hansa Wijayasuriya ceased to be the member(s) of the Committee with effect from March 31, 2018 and March 30, 2018 respectively. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

### Contract and Arrangements with Related Parties

All contracts/ arrangements/transactions entered by the Company during the financial year with the related parties as detailed in Note No. 58 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis.

The related party transaction which can be considered material during the year is the existing arrangement with Indus Towers Limited (Indus), a joint venture of the wholly owned subsidiary of your Company which provides Passive Infrastructure services and related operations and maintenance services to various telecom operators in India, including your Company. Indus is currently one of the world's largest independent passive infrastructure providers. Your Company had entered into a Master Service Agreement (MSA) with Indus in 2008 (which has been amended from time to time) for availing passive infrastructure services provided by them in certain service areas. The MSA requires individual tenancy service contracts to be executed for each passive infrastructure site, the terms of which vary depending on the location, type of site, number of existing tenants, etc. and contain lock in period for ensuring continuity. Such terms are similarly applicable to all other telecom providers having arrangement with Indus. The details of the material related party transaction with Indus for the Financial Year ended March 31, 2018 is provided in Form AOC-2, which is attached as 'Annexure D' to this report.

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Member's approval for material Related Party Transaction, as defined under the Listing Regulations shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee/ Board, as applicable, for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. The Company has implemented a Related Party Transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24.

The policy on Related Party Transactions is uploaded on the Company's website [www.ideacellular.com](http://www.ideacellular.com).

### Particulars of Loans, Guarantees and Investments

As your Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 relating to loans made, guarantees given or securities provided are not applicable to the Company. The details of such loans made and guarantees given are provided in the standalone financial statements at Note No. 58. Particulars of investments made by the Company are provided in the standalone financial statements at Note Nos. 9 and 13.

### Whistle Blower Policy / Vigil Mechanism

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism is available on your Company's website [www.ideacellular.com](http://www.ideacellular.com).

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are given to the extent applicable in 'Annexure E' forming part of this report.

### Particulars of Employees

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as 'Annexure F' to this report.

In accordance with the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

### Statutory Auditors

The members of the Company had at its Annual General Meeting held on June 30, 2017, appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004), as the Statutory Auditors of the Company for a period of five consecutive years, i.e. till the conclusion of Twenty Seventh Annual General Meeting of the Company to be held in the calendar year 2022, subject to ratification, if required of their appointment by members at every Annual General Meeting.

The requirement to place the matter relating to appointment of the Auditors for ratification by the members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of the Auditors.

### Auditors' Report and Notes to Financial Statements

The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements including the emphasis of matter relating to the one-time spectrum fee demand raised by the Department of Telecommunications in January, 2013. As explained in the Notes to the Financial Statements, the matter remains sub-judice and does not call for any further explanation/clarification under Section 134(3)(f) of the Companies Act, 2013.

### Reporting of Frauds by Auditors:

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the Audit Committee under Section 143(12) of the Act any instances of fraud committed against the Company by its officers and employees, the details of which would need to be mentioned in Board's Report.

### Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company on the recommendation of the Audit Committee appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as the Cost Auditors, to conduct the Cost Audit of your Company for the Financial Year ended March 31, 2019, at a remuneration as specified in the notice convening the Annual General Meeting.

As required under the Act, the remuneration payable to the Cost Auditors is required to be ratified by the members. Accordingly, a resolution seeking members ratification for the remuneration payable to the Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

### Secretarial Auditor

In terms of the provision of the Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad, as the Secretarial Auditor for conducting the Secretarial Audit of your Company for the Financial Year ended March 31, 2018.

The report of the Secretarial Auditor is annexed to this report as 'Annexure G'. The secretarial audit report does not contain any qualification, reservation or adverse remark.

The contents of the Secretarial Audit Report are self-explanatory. There is a remark on the CSR spend being below prescribed limit which is explained sufficiently in the 'Annual Report on Corporate Social Responsibility (CSR) Activities' attached to the Directors' Report.

### Extract of Annual Return

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 for the Financial Year ended March 31, 2018 is annexed herewith as 'Annexure H' to this report.

### Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Two complaints pertaining to sexual harassment were received during the Financial Year 2017-18.

### Sustainability Journey

We, at Idea Cellular are building an organization and a business with a strong focus on "Calling Tomorrow". And this defines our sustainability strategy. In 2016, we set off to define Idea Cellular's sustainability vision and established a governance structure. The Idea Calling Tomorrow 1.0 initiative analyzed all relevant international standards & practices for mapping each function to key sustainability topics. Our focus then was to set five-year targets until FY21. The Idea Calling Tomorrow 2.0 initiative was focused on mapping the set targets into action. Our Sustainability approach is aligned to the Aditya Birla Group (ABG) Sustainability Framework and is anchored on the following sustainability pillars:

- **Responsible Stewardship:** As a responsible steward we are accountable for total compliance of sustainability policies. We are



striving to put in place systems and processes to ensure that we are compliant to not only local laws but International Standards set by global bodies.

- **Stakeholder Engagement:** Idea has a business process mapped out for both internal as well as external stakeholders. Our strategic engagement with these stakeholders will be critical for us to understand which external changes might heavily influence our value chains and business models in the future.
- **Future Proofing:** As we march on into the future, we are constantly scanning the horizon to assess for and understand all possible business risks and opportunities, addressed through the paradigm of our sustainability framework. We build on our existing Enterprise Risk Management framework to identify the key risks that will have a significant impact on our business. We integrate these risks into the course of our everyday business to ensure that our strategies of today are informed by the risks of the future.

As our business expands in the coming years, it is imperative that we broaden and deepen our engagements with all stakeholders, understand and address all risks and opportunities reiterating our commitment towards long-term sustainability and inclusive growth.

The Company since Financial Year 2015-16 has embarked on a journey to regularly publish a bi-annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) framework which can be downloaded from the Company's website.

**Other Disclosures**

- There are no material changes and commitments affecting the financial position of your Company between end of financial year

and the date of report, other than those disclosed in the significant developments section of the Board's report.

- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat Equity Shares.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**Acknowledgement**

Your Directors place on record their sincere appreciation to the Department of Telecommunications, Telecom Regulatory Authority of India, the Central Government, the State Governments, all its investors & stakeholders, bankers, technology providers, equipment suppliers, value added service partners, all the business associates and above all our subscribers for the co-operation and support extended to the Company. Your Directors also wish to place on record their deep appreciation to the employees for their hard work, dedication and commitment. The perseverance and unstinting efforts of the employees has enabled the Company to retain the 'Fastest Growing Indian Telecom Brand' within the sector.

**For and on behalf of the Board**

Place: Mumbai  
Date: July 30, 2018

**Kumar Mangalam Birla**  
Chairman



## Annexure 'A' to the Directors' Report

### Form AOC- 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

##### Part "A": Subsidiaries

₹ Mn

Sr. No.	Particulars	Name of the Subsidiary				
		Idea Cellular Services Limited	Idea Cellular Infrastructure Services Limited	Idea Telesystems Limited	Idea Mobile Commerce Services Limited*	Aditya Birla Telecom Limited
1.	The date since when subsidiary was acquired	3.10.2007	3.10.2007	9.07.2002	1.03.2010	28.02.2007
2.	Reporting period	April – March	April – March	April – March	April – March	April – March
3.	Reporting Currency	INR	INR	INR	INR	INR
4.	Equity Share Capital	0.50	0.60	0.50		100.00
5.	Other Equity	23.65	8384.24	191.96		61,789.11
6.	Total Assets	180.10	10,357.29	230.73		77,051.89
7.	Total Liabilities	155.95	1,972.45	38.32		15,162.78
8.	Investments other than investments in Subsidiary	-	2,529.93	175.88		77,028.61 #
9.	Turnover (Total Revenue)	1,332.40	11,452.08	163.53	158.51	3,360.59
10.	Profit / (Loss) Before taxation	14.36	2,684.29	0.95	7.84	3,346.78
11.	Provision for Taxation	6.81	923.73	-	-	191.37
12.	Profit / (Loss) After taxation	7.55	1,760.56	0.95	7.84	3,155.41
13.	Other Comprehensive Income / (Loss)	7.67	0.91	-	0.70	(4,796.78)
14.	Total Comprehensive Income / (Loss)	15.22	1,761.47	0.95	8.54	(1,641.37)
15.	Proposed Dividend	-	-	-	-	-
16.	% of shareholding	100%	100%	100%	100%	100%

#### Notes:

- There were no subsidiaries which are yet to commence operations.
- Idea Cellular Infrastructure Services Limited is classified as Asset Held for Sale (AHFS) effective 13<sup>th</sup> November 2017 pursuant to sale agreement entered with ATC Telecom Infrastructure Limited (ATC).
- Idea Mobile Commerce Services Limited, got amalgamated with Aditya Birla Idea Payments Bank Limited, an Associate Company, with effect from February 22, 2018.
- Includes amount of Investment in Joint Venture at the carrying value as on March 31, 2018.

## Annexure 'A' to the Directors' Report (contd.)

## Part "B": Associates and Joint Ventures

Sr. No.	Particulars	Name of Associate	Name of Joint Venture
		Aditya Birla Idea Payments Bank Limited <sup>§</sup>	Indus Towers Limited
1.	Last Audited Balance Sheet Date	March 31, 2018	March 31, 2018
2.	Date on which the Associate or Joint Venture was associated or acquired	February 19, 2016	December 8, 2007
	Number of Shares held by the Company as on March 31, 2018	221,634,545	132,868
	Amount of Investment in Joint Venture / Associate <sup>#</sup>	₹ 2,216.34 Mn	₹ 66,178.73 Mn
	Extent of holding %	49%	11.15%
3.	Description of how there is a significant influence	Refer Note 2 below	-
4.	Reason why the Joint Venture is not consolidated	N.A.	N.A.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet <sup>@</sup>	₹ 967.52 Mn	₹ 14,712.46 Mn
6.	Profit / (Loss) for the year		
	i. Considered in Consolidation	₹ (234.35) Mn	₹ 3,457.88 Mn
	ii. Not Considered in Consolidation	-	-
7.	Other Comprehensive Income / (Loss) for the year		
	i. Considered in Consolidation	₹ (7.21) Mn	₹ 0.29 Mn
	ii. Not Considered in Consolidation	-	-
8.	Total Comprehensive Income / (Loss) for the year		
	i. Considered in Consolidation	₹ (241.56) Mn	₹ 3,458.17 Mn
	ii. Not Considered in Consolidation	-	-

## Notes:

1. There were no associates or joint ventures liquidated during the Financial Year 2017-18.
  2. Significant influence by virtue of having directors on the board of ABIPBL.
- § Aditya Birla Idea Payments Bank Limited (the Company) commenced operations on February 22, 2018.
- # Amount of investment in Joint Venture/Associate is based on the carrying value of investments in the standalone financial statements of venturer / investor.
- @ Represent our share of networth attributable to shareholding

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary

Place : Mumbai  
Date : April 28, 2018

## Annexure 'B' to the Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	To actively contribute to the social and economic development of the communities and build a better sustainable way of life for the weaker sections of society, through our meaningful engagement in the areas of-Education, Health Care, Sustainable Livelihood, Infrastructure Development and Social Change. The Company's CSR policy can be accessed on the Company's website: <a href="http://www.ideacellular.com/corporate-governance">http://www.ideacellular.com/corporate-governance</a> .
2. The composition of CSR Committee	(i) Mrs. Rajashree Birla, Chairperson (ii) Mr. P. Murari, Member (iii) Mr. Himanshu Kapania, Member (iv) Dr. Pragnya Ram, Group Executive President, Corporate Communications & CSR, Permanent Invitee
3. Average Net Profits of the Company for last three financial years	₹ 23,525.11 Mn
4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	₹ 470.50 Mn
5. Details of CSR Spent during the financial year: - Total Amount spent for the financial year - Amount unspent, if any- - Manner in which the amount spent during the financial year	₹ 199.43 Mn ₹ 271.07 Mn Details specified as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
1.	<b>Solar Urja Lamps</b> In the remote areas grid electricity is a major concern as its reach is limited. Census 2011, indicates that 43 percent of rural households use kerosene to light their houses and the same is used by students to study. To enable the students to study using clean energy we have supported the assembling and distribution of 1 lakh solar lamps across 5 states. Key activities include facilitating education through providing solar lamps to school children, capacity building of the rural youth and women on solar technology, and creating awareness on the importance of renewable energy. We also helped set up a Solar module factory owned	Education & Skill Development	i) Chhattisgarh ii) Meghalaya iii) Madhya Pradesh iv) Maharashtra v) Rajasthan	38.00	38.00	38.00	IIT, Bombay

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
	and managed by rural women at Dungarpur, Rajasthan. This initiative has helped in a 10% learning improvement among children in the project areas. Women have been able to earn ₹ 4000 per month during the project duration and later on some of them do repair and maintenance work. The consumption of kerosene by the household in the project areas has been reduced by around 7.2 litre per year per family.						
2.	<p><b>Mid-Day Meal Program for School Children</b></p> <p>In the villages nutritional meals for children is a problem. Given poverty levels, children are not sent to schools. To ensure that children go to school, we contribute to the mid-day meal programme. This ensures one nutritional meal to school going children. More children now attend schools. The dropout rate has been significantly reduced. The project reached out to 39,074 children in 9 locations spanning five states. Key activities include providing nutritious meals to students in hygienic way. We created an awareness among parents and children on the importance of nutritional food and sensitized school teachers and the administration as well on its benefits both on health and the development of the brain.</p>	Education	<ul style="list-style-type: none"> <li>i) Gujarat (Ahmedabad, Vadodara, Surat)</li> <li>ii) Odisha (Cuttack, Puri)</li> <li>iii) Rajasthan (Jaipur)</li> <li>iv) Uttar Pradesh (Lucknow)</li> <li>v) Karnataka (Bengaluru, Mysore)</li> </ul>	20.00	20.00	20.00	Akshaya Patra Foundation
3.	<p><b>KHEL – Knowledge hub for E-learning</b></p> <p>The project addressed two main issues i.e. improving learning among children through interactive e-learning and nutrition. To address the learning part, our project fostered the development of multi-media lessons in the form of interactive learning. These enabled enhance learning capabilities among students for the STEM subjects. The key activity is centered on developing e-learning modules of STEM subjects for class IV-VI. On the nutrition aspect the project aims to ensure zero malnourished</p>	Education & Nutrition	<ul style="list-style-type: none"> <li>i) Chhattisgarh</li> <li>ii) Uttar Pradesh</li> </ul>	30.00	30.00	30.00	IIT Bombay & IIT Kanpur



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
	cases in Rajnandgaon Block, Chhattisgarh. The key activities include developing real time tools to monitor nutrition of children and lactating mothers, capacity building of ANMs and Anganwadi workers alongwith creating awareness on using locally available nutritious ingredients in preparation of meals. The project served around 80,000 children including women across 200 anganwadi centres in Rajnandgaon Block.						
4.	<b>Girl Child Education – Vidya Har Beti ka Adhikar</b> 'Vidya Har Beti Ka Adhikar' addresses the need of KHEL, KITAB and KHANA in the government schools. These three basic facilities in each government school has fostered a learning environment with a focus for girls. The key activities are renovation of basic school infrastructure, refurbishing of library, computer & science laboratory, smart class, construction of toilets etc. and providing sports kit to the schools. The ambience in around 250 schools across the country has been bettered.	Education	i) Telangana ii) Rajasthan iii) Gujarat iv) Uttar Pradesh v) Kerala vi) Karnataka vii) Haryana viii) Jammu & Kashmir ix) Himachal Pradesh x) Bihar xi) West Bengal xii) Tamil Nadu xiii) Madhya Pradesh xiv) Assam xv) Maharsahtra xvi) Odisha xvii) Uttaranchal xviii) Punjab xix) Delhi xx) Chhattisgarh	25.00	17.28	17.28	Direct
5.	<b>School Based Educational Intervention Program for Reduction of Future Risks of Cardio-vascular Diseases</b> This project is to create an awareness about cardio-vascular diseases (CVD) among school going children, as well as improving knowledge, perception, awareness and practices related to CVD and their risk factors. It runs across 1,500 schools in 2 districts of West Bengal. Key activities include preparation of audio and video module, identification of schools, baseline data, organising sessions in schools, impact assessment etc. Around 4.8 lakh students including parents have been made aware of the risks of CVD.	Preventive healthcare	West Bengal i) West Medinipur ii) East Medinipur	2.00	2.00	2.00	Mission Arogya Health and Information Technology Research Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs(1) Local Area / others (2) Specify the State /District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
6.	<p><b>Healthcare Support to Deaf Mute Children through Cochlear Implants</b></p> <p>To help deaf and mute children to move out from their world of silence to the world of sound we engaged with leading ENT surgeons. Through surgery, doctors implant the cochlear device which restores sound and speech in the deaf and mute children after the operation through counselling and speech therapy. The project reached out to 12 deaf and mute children. The key activities included pre-operation counselling, pre-operative vaccines, MRI, surgery, rehabilitation etc. So far 12 children have been integrated with the mainstream society.</p>	Preventive healthcare	i) Gujarat ii) Karnataka iii) Maharashtra iv) West Bengal	15.10	9.85	9.85	Direct
7.	<p><b>M-POWER</b></p> <p>The project aims at creating awareness about mental health among children and adolescents. It connected with 1,662 students and adolescents in Mumbai. The key activities include psychiatric support, counselling, guidance and organization of camps in schools, educational institutes, colleges etc.</p>	Education & Health	Maharashtra (Mumbai)	10.00	10.00	10.00	Aditya Birla Education Trust
8.	<p><b>Village Social Entrepreneurs in Healthcare</b></p> <p>Social health entrepreneurs, fostered by us provide economical diagnostic health test at one center. The project outreach is 50 locations in 6 States. The key activities include training of social entrepreneurs, conducting diagnostic test etc. More than one lakh diagnostic tests have been conducted and the health profile of the people who have undergone diagnostic tests are available on the portal.</p>	Health	i) Andhra Pradesh ii) Telangana iii) Haryana iv) Kerala v) Uttar Pradesh vi) Chhattisgarh	10.00	10.00	10.00	Public Health Technologies Trust
9.	<p><b>Roshini: Digital &amp; Economic Empowerment of women</b></p> <p>Under this project women have been trained to use internet on mobile phone for services like health care, banking, education etc. They were also provided livelihood training on mobile sales. They were taught how to access key services and establish linkages with their economic activity. The project covered 600 rural women at</p>	Skill Development & Livelihood	i) Bihar (Samastipur) ii) Madhya Pradesh (Dhar) iii) Rajasthan (Newai, Jhilay and Jhalawar)	3.00	0.60	0.60	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency
	5 locations in 3 States. The key activities include identification of women, preparation of training modules, imparting training on topics related to day to day life etc. The trained women use internet to access information related to their day to day life activities and for availing public services.						
10.	<b>Village Social Transformation Mission</b> The project aims to transform 24 backward villages into model villages across 14 Gram Panchayats in Gadchiroli district, Maharashtra. Its key thrust is to ensure water security, livelihood generation, higher farm production, education for children, better healthcare digitalization etc. All these objectives will be achieved through convergence of government schemes and CSR support.	Skill Development & Livelihood	Maharashtra (Gadchiroli)	30.00	30.00	30.00	Village Social Transformation Foundation
11.	<b>Greening India</b> Our objective is to increase the green cover around Bengaluru and sensitise people on the need for plantation across the river belt through a focused campaign. The key activities include selection of place for plantation in consultation with the Municipal Corporation, selection of suitable saplings etc. 8,900 saplings planted in Bengaluru on the areas allocated by Municipal Corporation.	Ecology & Skill Development	Karnataka (Bengaluru)	12.00	4.18	4.18	Direct
12.	<b>Swachh Iconic Place, Somnath Temple under Swachh Bharat Mission</b> The project supplements the Government of India's initiative to enhance cleanliness across India's rich heritage sites. It endeavours to create infrastructure for cleanliness at Somnath temple and in its approach areas. It also aspires to raise awareness among people about cleanliness. Construction of toilets, mobile toilets, safe drinking water facilities, drainage treatment, cleaning of river, cleanliness campaign using IEC materials, clean beach site near temple etc. form its major plank.	Water & Sanitation	Gujarat (Somnath)	50.00	4.08	4.08	Direct
	<b>Total</b>			<b>245.10</b>	<b>175.99</b>	<b>175.99</b>	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project / Activity Identified	Sector in which the project is covered	Project / Programs (1) Local Area / others (2) Specify the State / District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (₹ in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (₹ in Mn)	Cumulative expenditure upto to the reporting period (₹ in Mn)	Amount spent: Direct / through implementation agency

Projects carried forward from previous Financial Year 2016-17

1.	<b>Million Solar Urja Lamp</b> Completed the distribution of 1 lakh lamps across 3 states.	Education	i) Rajasthan ii) Bihar iii) Uttar Pradesh	11.40	11.40	11.40	IIT, Bombay
2.	<b>KHEL - Knowledge Hub for E- Learning</b> Multi-media lessons in the form of interactive games for class I-III developed and is under pilot implementation in the schools of Madhya Pradesh.	Education	i) Maharashtra ii) Madhya Pradesh iii) Uttar Pradesh	1.00	1.00	1.00	IIT, Bombay IIT, Kanpur
3.	<b>School Based Educational Intervention Program for Reduction of Future Risks of Cardio-vascular Diseases</b> Created an awareness among the students and parents in 2,762 schools. Around 7.4 lakh students and their parents have been apprised of the risks of cardio-vascular diseases (CVD)	Health	West Bengal i) Kolkata ii) Burdwan iii) Howrah iv) Hooghly	2.02	2.02	2.02	Mission Arogya Health and Information Technology Research Foundation
4.	<b>Healthcare Support to Deaf Mute Children through Cochlear Implants</b> 21 cochlear implants have been completed for deaf-mute children. The children have been integrated in the mainstream of the society.	Health	Maharashtra	1.01	1.01	1.01	Direct
5.	<b>Village Social Entrepreneurs in Healthcare</b> Completed creation of Social health entrepreneurs at 100 locations.	Health	i) Andhra Pradesh ii) Haryana iii) Kerala iv) Uttar Pradesh	6.30	6.30	6.30	Public Health Technologies Trust
6.	<b>Roshini: Digital &amp; Economic Empowerment of women</b> Completed training of 300 rural women at 3 locations in 3 States.	Skill Development & Livelihood	i) Bihar (Samastipur) ii) Madhya Pradesh (Dhar) iii) Rajasthan (Newai)	1.71	1.71	1.71	Direct
	<b>Total</b>			<b>23.44</b>	<b>23.44</b>	<b>23.44</b>	
	<b>Grand Total</b>			<b>268.54</b>	<b>199.43</b>	<b>199.43</b>	

#### 6. Reason for not spending two percent of the average net profit of the last three financial years on CSR:

During the Financial Year 2017-18, the Company spent ₹ 199.43 Mn [₹ 175.99 Mn towards 2017-18 projects and ₹ 23.44 Mn towards carried over of Financial Year 2016-17 projects] towards CSR activities as mentioned above, which is 0.85% of the average net profits of the last three years. The significant disruption in the telecom industry had an impact on the financial performance of the Company, which has consequently led to decrease in the absolute spending towards CSR activities.

During the year around 11 lakh people including children have been beneficiaries across 20 States. This year the Company began a larger program 'Vidya Har Beti Ka Adhikar' that addresses the need of KHEL, KITAB and KHANA in government schools with a focus on



girl schools. We also supplemented the Government of India initiative to enhance cleanliness across India's rich heritage sites through Swachh Iconic Place, Somnath temple project.

The Company's key objective is to make a difference to the lives of the underprivileged and help bring them to a self-sustaining level. There is a deep commitment to CSR engagement. We are increasing the capacity of our CSR team to take up more projects. In addition, the Company also encouraged Circle employees to implement atleast one CSR project. The Girl Child Education - Vidya Har Beti Ka Adhikar was conducted across circles.

As a socially responsible caring Company, we desire to play a larger role in India's sustainable development. That our projects make a difference has been recognized. The Company has received accolades from Gujarat Corporate Social Responsibility Authority, ET2Good4Good-Economic Times and ABG HR Excellence Awards 2017 for Employee Engagement-CSR/ER.

**7. A Responsibility Statement of the Corporate Social Responsibility Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:**

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

Date : April 25, 2018

**Rajashree Birla**  
Chairperson - CSR Committee

**Himanshu Kapania**  
Managing Director

## Annexure 'C' to the Directors' Report

### Remuneration Philosophy/Policy

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders. This Philosophy/Policy is outlined below:

#### Our business and organizational model

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

#### I. Objectives of the Executive Remuneration Program

Our executive remuneration program is designed to attract, retain and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders. Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

#### II. Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company.
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
3. Senior Management.

#### III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels

and medium of pay and build in as appropriate for decision making.

#### IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

#### V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits

Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/focus areas for the business.

Long-Term Incentive:

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool. We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long term incentive vehicles, to motivate and retain our executives.

#### VI. Performance Goal Setting

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

## Annexure 'C' to the Directors' Report (contd.)

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

### VII. *Executive Benefits and Perquisites*

Our executives are eligible to participate in our broadbased retirement, health and welfare and other employee benefit plans. In addition to these broadbased plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

### Other Remuneration Elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling

business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

### Risk and Compliance

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

### Claw back Clause

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per restatement of financial statements, pertaining to the relevant performance year.

### Implementation

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/ Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

## Annexure 'D' to the Directors' Report

### Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: None
2. Details of material contracts or arrangement or transactions at arm's length basis:

Particulars	Information
(a) Name(s) of the related party and nature of relationship	Indus Towers Limited (Indus) <i>[Joint Venture (By agreement) of wholly owned subsidiary]</i>
(b) Nature of contracts/ arrangements/ transactions	Master Service Agreement (MSA) for Passive Infrastructure services and related Operations & Maintenance services
(c) Duration of the contracts/ arrangements/ transactions	The maximum term of each tenancy service contract executed for each passive infrastructure site under the MSA is 10 years, with either party having a right to terminate, subject to certain conditions.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Passive Infrastructure services are provided by Indus mainly on co-sharing basis for each Passive Infrastructure site, after obtaining necessary approvals, which enables the Company to deploy active equipment on sites for providing telecom services. The aggregate value of the transaction for Financial Year 2017-18, towards availment of services from Indus is ₹ 37,653 Mn.
(e) Date(s) of approval by the Board, if any; and Audit Committee	Audit Committee : April 27, 2018 Board Meeting : April 28, 2018
(f) Amount paid as advances, if any	Nil

## Annexure 'E' to the Directors' Report

### Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### A. CONSERVATION OF ENERGY

Indian telecom industry has been able to penetrate well across the country, where even the grid has not been able to reach in more than half a century. As per license conditions, a telecom operator needs to maintain a network availability higher than 99.5%. Assured power 24x7 supply ranging from the load of 15 KW each is, therefore, a pre-requisite for any telecom tower site. One of the biggest challenges being faced now is power deficiency in most of the areas along with lack of power infra, while the focus of the telecom sector is on rural penetration. In this background, your Company, Idea Cellular Limited, (Idea) as the fastest growing Indian Telecom operator, has been accelerating Pan India infrastructure spread and tapping all emerging opportunities in mobile voice and broadband business. While expanding the network infrastructure exponentially across the geography of India, Idea maintained the need for increasing energy efficiency and reducing energy consumption.

Accordingly, cost-effective energy-efficiency initiatives were continued across all spectrum of network expansion in the last Financial Year. This includes, more emphasis on infrastructure-sharing, deployment of high efficient network hardware, replacement of high consuming hardware with more efficient telecom hardware, increasing the energy efficiency of existing installations etc.

#### (a) Steps taken or impact on conservation of energy:

During the year under review, several steps were taken for conservation of energy, some of which are listed below:

#### Networks

On the Network front, Idea continued to adopt environmentally sustainable practices in their transactions with the same foundational objectives laid down as part of Green Idea launched in 2013:

- Reduced Carbon Emissions at the existing and new telecom sites of idea
- Continue with the procurement of most energy efficient telecom hardware
- Encourage Infrastructure Provider partners to adopt low carbon operations

The initiatives undertaken are as below:

- Over 70% of Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)

- 7,500 indoor sites were converted to outdoor sites in Financial Year 2017-18 resulting in reducing CO<sub>2</sub> emissions of about 43,458 tons in addition to 17,000 sites converted till Financial Year 2016-17 reducing cumulative carbon emissions by 1,40,000 tons.
- The tenancy ratio of Idea is about 2.8, which is highest in the country, that further reduces the size of its carbon footprint.
- 100% of the telecom hardware procurement comprise of low power consuming telecom hardware.
- RET based generation through PPAs, against Idea's consumption is approx 8.25 MW.

#### Data Centre

Your Company's Data Centre located at Hinjewadi, Pune is well under the "Efficient" category on Standard Parameter of PUE (Power Usage Effectiveness). Your Company measures the Energy efficiency of the Data Centre on an ongoing basis and the Average PUE is 1.80 (which falls under the "Efficient" Category). The following measures are being undertaken to reduce energy use and/or save energy and related emissions in your Data Centre:

- Water based Air cooled chillers have been used in the Data Centre to reduce energy consumption.
- Hot & Cold Aisle concept for better air circulation in Data Centre - Usage of Pro-curtain for separation of cold aisle and hot aisle for better cooling. Cold aisle containment implemented to increase HVAC efficiency, saving on energy consumption and to reduce related emissions.
- Active Floor based cooling system - directing the cool air to the area where it is required rather than flooding the entire Area.
- False Flooring & False Ceiling void for better cooling
- Different Temperature zones to reduce air loss
- Thermal Insulation along the flooring/ceiling to reduce heat dissipation including Utility (UPS, Transformer, Battery, Panel) Rooms.
- Usage of Blanking panel in empty space of server Racks to reduce short cycling of cold air and hence for improved HVAC efficiency.
- Usage of APFC to improve Power Factor in electrical distribution system and to reduce the energy consumption & Harmonics.
- Usage of PAC (Precision Air Conditioner) - Non DX units (without compressor and HVAC gases)



- Variable Frequency Drives (VFDs) have been installed in the data center's HVAC systems to automatically reduce the speed and power consumption of motors when there is lower system load.
- Based on power audits and an extensive study of energy usage, various initiatives have been undertaken over the years to optimize the usage of electricity, such as:
  - Identification and rectification of hot spots
  - Optimization of lighting and AC usage
- DAPC (Digital Active Power Conditioning) has been installed for Harmonic Distortion to avoid Power Losses, Protection of non-linear load and to improve Power Quality.
- During Winter Season Chiller Optimization obtained by operating 3 Circuits of 2 Chillers in the night. By practicing this the Data Centre has achieved 140 KWH savings per hour while maintaining the desired DC Temp.
- In PAC (Precision Air Conditioner), Blower Fan operates as per the Set Point Temp. Blower Fan's Maximum Rated Load is 3.2 KW on 100% Fan speed. It is running Blower Fan at 70% Speed which consume 1.6 KW without affecting the Cooling Requirement of the Data Centre.
- Due to Efficient Running of Chillers & PAC's we are able to manage the chilled water flow by operating Single Pump System, by doing this we have reduced 23 KW power consumption per hour.
- VRV (Variable Refrigerant Volume) System are installed in office areas for office cooling. The VRV Systems are set to 24°C set point & scheduled for all Office areas between 8:30 a.m. to 6:00 p.m. Apart from Workstation Area, the VRV System operates on need basis in Meeting Rooms & Cabins. Also on weekends VRV System operates on need basis only in areas where the actual staff is present.
- Implemented LED lighting system in DC and most of the office floors and also office area lighting is scheduled from 8:30 a.m. to 7:00 p.m. and will be switched on need basis in areas where the actual staff is present after the office hours. By practicing this we are achieving power saving without compromising lux level in required office areas.
- Reduction in frequency of Daily DG Test Run, which has resulted in saving of fuel & DG running hours without compromising the reliability / Availability of Data Centre backup power.
- Carrying all the planned preventive maintenance activities of the Utility systems like HT Panels, Transformers during the scheduled MSEB Power shutdown, which has resulted in reducing the DG running hours /Fuel Consumption.
- Sourcing of Renewable energy for Data Centre is under progress.

### Facilities

- Your Company is working to reduce its Carbon footprint by adoption of newer technologies and changing the consumption mix to include more renewable energy generators. The company's new Projects are conceptualized giving high priority to the energy efficient design. The company operates with lux levels below 300 and keeps a good mix of natural and artificial illumination for conserving energy.
- Your Company's office facilities have lighter surface colours and patterns, which absorb less and contribute to better lighting. The company uses a combination of energy efficient CFL and LED lighting for illumination at our facilities. However new projects have all LED fittings.
- In Air-conditioning space, your Company uses star rated BEE (Bureau of Energy Efficiency) certified air conditioners in our facilities. The company also uses VRV systems apart from the energy efficient chiller plants in your facilities.
- Idea's Energy Management includes regular monitoring of energy consumption of different types of loads on a daily basis and helps the company to take corrective measures on an immediate basis. The company's average square feet consumptions have reduced over a period and match the benchmarks for office space.
- Some of the other measures in the Company's office premises include:
  - Usage of Electronic ballasts instead of Copper ballasts for improved efficiency and reduction in energy consumption and emissions for emergency lights. Automatically is set on during power failure.
  - Usage of logic controlling for emergency lights is automatically set on during power failure.
  - VRV and inverter based Air conditioning is being used in office area instead of a centralized system.
  - Switching off all non-critical loads (office AC, lights, unused meeting rooms/cabins etc.) after working hours.
  - Switching off all Facade lights near to outer glass of premises.
- Your Company is replacing existing CFL based lighting fixtures to LED based fixtures on OPEX model for older facilities to achieve 100 percent conversion to lesser consumption loads.
- All new facilities are being designed to conform to LEED certification standards. This will ensure lesser energy and water consumption per sq. ft. basis and also reduce the company's carbon footprint.

### (b) Steps taken by the Company for utilizing alternate sources of energy:

The following initiatives have been undertaken by the Company in the previous years, to utilize alternate sources of

energy, and the same installations continued to be in service for Financial Year 2017-18 also.

**Exclusive Solar solutions at over 1,200 sites:** The cumulative installed capacity of these sites amounts to 5.4 MW, which continued to be in service in Financial Year 2017-18 also.

**On-Site Solar implementation:** 25 KW of installed capacity continued to be in operation.

**Off-Site Renewable Energy (RE) Deployment:** This concept was initiated in Financial Year 2014-15 based on Carbon abatement principle. In Financial Year 2016-17,

- 3 MW Solar PPA in AP - 3.1 Mn Solar Units generated & Neutralized CO2 emission of 2,565 Tonnes
- 1.25 MW Solar PPA in MP - 0.75 Mn Solar Units generated & Neutralised CO2 emission of 618 Tonnes
- 2 MW Wind PPA in TNC - 2.4 Mn Wind Units generated & Neutralised CO2 emission of 1,975 Tonnes

In Financial Year 2017-18,

- 2 MW Solar PPA in Maharashtra Circle has been implemented leading to 0.3 Mn Solar Units generated & Neutralised CO2 emission of 234 Tonnes & Water consumption of 8,50,000 Litres

Some of the tangible outcome of above activities/initiatives in Financial Year 2017-18 include:

- **Reduction in Carbon emission:** CO2 emission reduction of about 43,692 tons have been achieved through Power Purchase Agreements and indoor to outdoor conversions.
- **Contributing to Greener Economy:** The DG running has been reduced by 4 hours per BTS, on an average, saving approximately 2 million litres of diesel in Financial Year 2017-18. Reduction in diesel consumption is contributing not only to greener economy but also to the national economy by reducing the use of subsidized diesel.
- Reduction in Carbon Emissions was also achieved in Financial Year 2017-18 through improving PUE (Power Utilization Effectiveness) at MSC Locations.

**(c) The capital investment on energy conservation equipment:**

The capital investment on energy conservation equipment was not material during the Financial Year ended March 31, 2018.

**B. TECHNOLOGY ABSORPTION**

**a) Efforts made towards technology absorption**

The Company owns and operates its telecom network Adaptation and Innovation using its own resources. The focus of the company has been to enhance its 3G and 4G data broadband connectivity across the country.

**b) Benefits derived like product improvement, cost reduction, product development or import substitution**

The cost of implementation of operations network is most optimal due to in-house handling of planning and designing. The speed to market was much better in terms of rural rollout and rollout of 3G and 4G sites due to strong in-house competency.

The Company owns and operates its telecom network Adaptation and Innovation using its own resources. Structured internal trainings are imparted to the team of engineers for their skill development and grooming.

**c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

No technology has been imported. However telecom equipments are imported on an ongoing basis.

**d) Expenditure incurred on Research and Development (R&D)**

None

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings : ₹ 5,101 Mn

(b) Total Foreign Exchange Outgo : ₹ 32,990 Mn

For and on behalf of the Board

Place: Mumbai  
Date: July 30, 2018

Kumar Mangalam Birla  
Chairman

## Annexure 'F' to the Directors' Report

### Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration for FY 2017-18 (₹ in Lacs)	% increase in Remuneration in FY 2016-17 <sup>5</sup>	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Kumar Mangalam Birla <i>Chairman &amp; Non-Executive Director</i>	3.80	-	0.42
2.	Mrs. Rajashree Birla <i>Non-Executive Director</i>	1.60	-	0.18
3.	Mr. Arun Thiagarajan <i>Independent Director</i>	5.40	-	0.60
4.	Mr. Mohan Gyani <i>Independent Director</i>	1.00	-	0.11
5.	Ms. Tarjani Vakil <i>Independent Director</i>	8.15	-	0.91
6.	Mr. P. Murari <i>Independent Director</i>	1.50	-	0.17
7.	Mrs. Alka M. Bharucha <sup>1</sup> <i>Independent Director</i>	5.30	-	0.59
8.	Mr. Baldev Raj Gupta <sup>2</sup> <i>Independent Director</i>	2.50	N.A.	0.28
9.	Mr. Sanjeev Aga <i>Non-Executive Director</i>	5.10	-	0.57
10.	Dr. Shridhir Sariputta Hansa Wijayasuriya <sup>3</sup> <i>Non-Executive Director</i>	3.00	-	0.33
11.	Mr. Himanshu Kapania* <i>Managing Director</i>	832.31 <sup>#</sup>	0% <sup>^</sup>	92.58
12.	Mr. Akshaya Moondra* <i>Chief Financial Officer</i>	267.38	19.1 <sup>^</sup>	29.74
13.	Mr. Pankaj Kapdeo* <i>Company Secretary</i>	94.09 <sup>@</sup>	20.8 <sup>^</sup>	10.47

#### Notes:

(a) Remuneration of Non-Executive Director for Financial Year ended March 31, 2018 includes only sitting fees, as no commission was approved by the board for Financial Year ended March 31, 2018. Accordingly the percentage increase in remuneration of Non-Executive Directors is not shown in the above table.

(b) The remuneration of Employees and Key Managerial Personnel (KMPs) does not include perquisite value of stock options exercised during the Financial Year 2017-18.

\$ Based on Annualized Remuneration

\* The remuneration includes variable pay for the Financial Year 2016-17, which was paid in the Financial Year 2017-18.

^ The value of performance linked incentive (PLI) considered represents incentive that will accrue at 100% performance level. For effective comparison, the PLI component of their remuneration for Financial Year 2016-17 has also been considered at 100% performance level.

- # *The remuneration of Mr. Himanshu Kapania excludes perquisite value of stock options of ₹ 345.37 Lacs exercised during the current financial year.*
- @ *The remuneration of Mr. Pankaj Kapdeo excludes perquisite value of stock options of ₹ 24.89 Lacs exercised during the current financial year.*
1. *Mrs. Alka M. Bharucha resigned with effect from March 31, 2018*
  2. *Mr. Baldev Raj Gupta was appointed with effect from May 13, 2017*
  3. *Dr. Shridhir Sariputta Hansa Wijayasuriya resigned with effect from March 30, 2018*
- (ii) **The percentage increase in the median remuneration of the employees of the Company for the Financial Year 2017-18**
- The median remuneration of the employees in the Financial Year 2017-18 was increased by 9.4%, as compared to the Financial Year 2016-17.
- The Median Remuneration of Employees of the Company during the Financial Year 2017-18 was ₹ 8.99 Lacs.
- (iii) **The number of permanent employees on the rolls of the Company**
- There were 9,883 permanent employees on the rolls of Company as on March 31, 2018.
- (iv) **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2017-18 and its comparison with the percentage increase in the managerial remuneration:**
- The average increase in the remuneration of employees excluding KMPs during Financial Year 2017-18 was 8.1% and the average increase in the remuneration of Key Managerial Personnel was 4.8%. There was no increase in the remuneration payable to the Managing Director.
- (v) **Affirmation that the remuneration is as per the remuneration policy of the Company:**
- The remuneration of Directors was as per the Remuneration Policy of the Company.

## Annexure 'G' to the Directors' Report

### Secretarial Audit Report

For the Financial Year ended on March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
Idea Cellular Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Idea Cellular Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**.

- (vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is as under:

1. Telecom Regulatory Authority of India Act, 1997 and the rules and regulations made thereunder.
2. Department of Telecommunication guidelines and License Agreements.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### We further Report That,

The Company has not appointed Small shareholders' director as given under section 151 of the Companies Act, 2013 read with



## Annexure 'G' to the Directors' Report (contd.)

Rule 7 of the Companies (Appointment and Qualification of Directors) Rules 2014, since the same is not mandatory.

CSR Expenditure during the year was below the limits as specified under provisions of Companies Act, 2013.

### We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in some instance wherein the shorter notice was consented by the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the year under report, the shareholders and creditors approved the Composite Scheme of Amalgamation and Arrangement among Vodafone Mobile Services

Limited and Vodafone India Limited and Idea Cellular Limited.

**We further report that** the shareholder's approval was granted by way of Special Resolution at Extra Ordinary General Meeting held on 30.01.2018 to offer, issue and allot Equity Shares of the company having Face Value of ₹ 10/- by way of Qualified Institutional Placement to Qualified Institutional Buyers and the approved by Capital Raising Committee at their meeting held on 23rd February 2018 to issue and allotment of 424,242,424 equity shares, bearing distinctive numbers 3934205459 to 4358447882 to eligible QIB at price of ₹ 82.50 per equity shares including premium of ₹ 72.50 per equity shares.

**We further report that** the shareholder's approval was granted by way of Special Resolution at Extra Ordinary General Meeting held on 30.01.2018 to offer, issue and allot Equity Shares by way of preferential issue of shares at price ₹ 99.50 per Equity Shares including premium of ₹ 89.50 per equity shares aggregating upto ₹ 3,250 Crores and further Securities Allotment Committee of the board of directors of company on its meeting held on 12.02.2018 allotted 326,633,165 at face value of ₹ 10 each for cash at an issue price of ₹ 99.50 per equity shares including premium of ₹ 89.50 per equity shares aggregating approximately ₹ 3,250 Crores.

Umesh Ved  
Umesh Ved & Associates  
Company Secretaries  
C.P. No.: 2924

Place: Ahmedabad  
Date : April 28, 2018

**Note :** This report to be read with our letter of even date which is annexed as **Annexure-A** and forms part of this report.

## Annexure A to the Secretarial Audit Report

To,

The Members,  
Idea Cellular Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management

representation about the compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Umesh Ved  
Umesh Ved & Associates  
Company Secretaries  
C.P. No.: 2924

Place: Ahmedabad  
Date : April 28, 2018

## Annexure 'H' to the Directors' Report

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I REGISTRATION AND OTHER DETAILS

CIN	L32100GJ1996PLC030976
Registration Date	March 14, 1995
Name of the Company	Idea Cellular Limited
Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
Address of the Registered office and contact details	Suman Tower, Plot No. 18, Sector-11, Gandhinagar, Gujarat- 382011 Tel : +91-79-66714000 Fax : +91-79-23232251 E-mail: shs@idea.adityabirla.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	M/s. Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059. Tel: +91-22-62638200 E-mail: investor@bigshareonline.com

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business contributing 10% or more of the total turnover of the Company are given below

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service*	% to total turnover of the Company
1	Wireless Telecommunication services	612	99.44%

\* As per National Industrial Classification - Ministry of Statistics and Programme Implementation

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

Sr. No.	Name of the Company	Address	CIN / Registration No.	Holding/ Subsidiary/ Associate Company	% of Shares held	Applicable Section
1	Idea Cellular Services Limited	Suman Tower Plot No. 18, Sector 11, Gandhinagar-382011	U74140GJ2007PLC051881	Subsidiary	100%	2(87)
2	Idea Cellular Infrastructure Services Limited	Suman Tower Plot No. 18, Sector 11, Gandhinagar-382011	U45208GJ2007PLC051880	Subsidiary	100%	2(87)
3	Idea Telesystems Limited	A-26/5, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi- 110044	U74899DL1983PLC016517	Subsidiary	100%	2(87)
4	Aditya Birla Telecom Limited	Aditya Birla Centre, A Wing, S.K. Ahire Marg, Worli, Mumbai- 400 030	U64202MH2005PLC158190	Subsidiary	100%	2(87)
5	Aditya Birla Idea Payments Bank Limited	A4, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai- 400 030	U65923MH2016PLC273308	Associate Company	49%	2(6)
6	Indus Towers Limited	Building No. 10, Tower-A, 4th Floor, DLF Cyber City Gurugram Gurgaon HR 122002	U92100DL2007PLC170574	Joint Venture	11.15%	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
<b>A. Promoters</b>										
<b>1 Indian</b>										
(a) Individual/HUF	2,33,333	-	2,33,333	0.01	2,33,333	-	2,33,333	0.01	0.00	
(b) Central Government	-	-	-	-	-	-	-	-	0.00	
(c) State Government	-	-	-	-	-	-	-	-	0.00	
(d) Bodies Corporate	1,52,86,14,214	-	1,52,86,14,214	42.40	1,52,88,47,379	-	1,52,88,47,379	35.07	-7.33	
(e) Banks / FI	-	-	-	-	-	-	-	-	0.00	
(f) Any Other	-	-	-	-	-	-	-	-	0.00	
<b>Sub-total (A)(1)</b>	<b>1,52,88,47,547</b>	<b>-</b>	<b>1,52,88,47,547</b>	<b>42.41</b>	<b>1,52,90,80,712</b>	<b>-</b>	<b>1,52,90,80,712</b>	<b>35.08</b>	<b>-7.33</b>	
<b>2 Foreign</b>										
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	0.00	
(b) Other-Individuals	-	-	-	-	-	-	-	-	0.00	
(c) Bodies corp	-	-	-	-	-	-	-	-	0.00	
(d) Banks/FI	-	-	-	-	-	-	-	-	0.00	
(e) Any Other	-	-	-	-	32,64,00,000	-	32,64,00,000	7.49	7.49	
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,64,00,000</b>	<b>-</b>	<b>32,64,00,000</b>	<b>7.49</b>	<b>7.49</b>	
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1,52,88,47,547</b>	<b>-</b>	<b>1,52,88,47,547</b>	<b>42.41</b>	<b>1,85,54,80,712</b>	<b>-</b>	<b>1,85,54,80,712</b>	<b>42.56</b>	<b>0.16</b>	
<b>B. Public Shareholding</b>										
<b>1 Institutions</b>										
(a) Mutual Funds	6,66,54,990	-	6,66,54,990	1.85	29,23,54,955	-	29,23,54,955	6.71	4.86	
(b) Banks/FI	63,16,855	-	63,16,855	0.18	41,79,699	-	41,79,699	0.10	-0.08	
(c) Central Government	-	-	-	-	-	-	-	-	0.00	
(d) State Government	-	-	-	-	-	-	-	-	0.00	
(e) Venture Capital Funds	33,50,000	-	33,50,000	0.09	5,00,000	-	5,00,000	0.01	-0.08	
(f) Insurance Companies	16,64,36,193	-	16,64,36,193	4.62	20,46,56,074	-	20,46,56,074	4.69	0.08	
(g) FIs	97,23,47,141	-	97,23,47,141	26.97	1,16,48,50,855	-	1,16,48,50,855	26.72	-0.25	
(h) Alternate Investment Funds	35,27,022	-	35,27,022	0.10	61,81,515	-	61,81,515	0.14	0.04	
(i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0.00	
Any Other	-	-	-	-	-	-	-	-	0.00	
<b>Sub-total (B)(1)</b>	<b>1,21,86,32,201</b>	<b>-</b>	<b>1,21,86,32,201</b>	<b>33.80</b>	<b>1,67,27,23,098</b>	<b>-</b>	<b>1,67,27,23,098</b>	<b>38.37</b>	<b>4.57</b>	
<b>2 Non-Institutions</b>										
<b>(a) Bodies Corporate</b>										
i) Indian	2,18,66,058	-	2,18,66,058	0.61	2,31,43,917	-	2,31,43,917	0.53	-0.08	
ii) Overseas	-	-	-	-	-	-	-	-	0.00	
<b>(b) Individuals</b>										
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	7,02,58,262	3,694	7,02,61,956	1.95	6,14,91,422	3,164	6,14,94,586	1.41	-0.54	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1,22,41,136	-	1,22,41,136	0.34	2,12,14,137	-	2,12,14,137	0.49	0.15	

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
c) Others									
Qualified Foreign Investor	-	-	-	-	-	-	-	-	0.00
Foreign Companies	71,20,00,543	-	71,20,00,543	19.75	71,20,00,543	-	71,20,00,543	16.33	-3.42
Non-resident Indians	27,29,571	5,000	27,34,571	0.08	28,57,388	5,000	28,62,388	0.07	-0.01
Trust	81,50,967	-	81,50,967	0.23	59,54,301	-	59,54,301	0.14	-0.09
Clearing Members	2,96,23,586	-	2,96,23,586	0.82	30,69,249	-	30,69,249	0.07	-0.75
Director	9,69,666	-	9,69,666	0.03	13,77,999	-	13,77,999	0.03	0.00
<b>Sub-total (B)(2)</b>	<b>85,78,39,789</b>	<b>8,694</b>	<b>85,78,48,483</b>	<b>23.79</b>	<b>83,11,08,956</b>	<b>8,164</b>	<b>83,11,17,120</b>	<b>19.07</b>	<b>-4.72</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,07,64,71,990</b>	<b>8,694</b>	<b>2,07,64,80,684</b>	<b>57.59</b>	<b>2,50,38,32,054</b>	<b>8,164</b>	<b>2,50,38,40,218</b>	<b>57.44</b>	<b>-0.16</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3,60,53,19,537</b>	<b>8,694</b>	<b>3,60,53,28,231</b>	<b>100.00</b>	<b>4,35,93,12,766</b>	<b>8,164</b>	<b>4,35,93,20,930</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year <sup>(#)</sup>
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Aditya Birla Nuvo Limited*	83,75,26,221	23.26%	-	-	0.00%	-	-23.26%
2	Birla TMT Holdings Pvt. Ltd.	28,35,65,373	7.88%	-	28,37,98,538	6.51%	-	-1.37%
3	Hindalco Industries Limited	22,83,40,226	6.34%	-	22,83,40,226	5.24%	-	-1.10%
4	Grasim Industries Limited	17,10,13,894	4.75%	-	1,00,85,40,115	23.14%	-	18.39%
5	Pilani Investment and Industries Corporation Ltd.	81,68,500	0.23%	-	81,68,500	0.19%	-	-0.04%
6	Mr. Kumar Mangalam Birla	2,33,333	0.01%	-	2,33,333	0.01%	-	0.00%
7	Oriana Investments Pte. Ltd.	-	-	-	16,32,00,000	3.74%	-	3.74%
8	Elaine Investments Pte. Ltd.	-	-	-	16,32,00,000	3.74%	-	3.74%
	<b>Total</b>	<b>1,52,88,47,547</b>	<b>42.46%</b>	<b>-</b>	<b>1,85,54,80,712</b>	<b>42.56%</b>	<b>-</b>	<b>0.09%</b>

\* Aditya Birla Nuvo Limited (ABNL) has been amalgamated with Grasim Industries Limited (Grasim). Consequently, the shares held by ABNL have been vested unto Grasim

## iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year		Date	Increase / Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Aditya Birla Nuvo Limited (ABNL)	83,75,26,221	23.26%	April 1, 2017	(83,75,26,221)	Pursuant to Composite Scheme of Arrangement between ABNL, Grasim and Aditya Birla Capital Ltd.	-	0.00
				July 21, 2017				
				March 31, 2018				
2	Grasim Industries Limited (Grasim)	17,10,13,894	4.75%	April 1, 2017	83,75,26,221	Grasim and Aditya Birla Capital Ltd.	1,00,85,40,115	23.14
				July 21, 2017				
				March 31, 2018				
3	Birla TMT Holdings Pvt. Ltd.	28,35,65,373	7.88%	April 1, 2017	2,33,165	Preferential Allotment	28,37,98,538	6.51
				February 12, 2018				
				March 31, 2018				
4	Oriana Investments Pte. Ltd.	-	-	April 1, 2017	16,32,00,000	Preferential Allotment	16,32,00,000	3.74
				February 12, 2018				
				March 31, 2018				
5	Elaine Investments Pte. Ltd.	-	-	April 1, 2017	16,32,00,000	Preferential Allotment	16,32,00,000	3.74
				February 12, 2018				
				March 31, 2018				

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in shareholding (No. of shares)		Shareholding at the end of year	
		No. of shares	% of total shares of the company	Bought during the year	Sold during the year	No. of shares	% of total shares of the company
1	Axiata Investments 1 (India) Limited	46,47,34,670	12.89	-	-	46,47,34,670	10.66
2	Axiata Investments 2 (India) Limited	24,72,65,873	6.85	-	-	24,72,65,873	5.67
3	ICICI Prudential Life Insurance Company Ltd	11,26,44,410	3.12	5,17,08,267	1,88,12,261	14,52,40,416	3.33
4	Franklin Templeton Investment Funds	2,80,00,000	0.77	8,92,23,948	29,032	11,71,94,916	2.69
5	First State Investments ICVC -Stewart Investor Asia Pacific Leaders Fund (Formerly National Westminster Bank Plc As Depository of First State Asia Pacific Leaders Fund A Sub Fund of First State Investments ICVC)	11,66,71,993	3.23	-	4,08,14,301	7,58,57,692	1.74
6	First State Investments ICVC -Stewart Investor Global Emerging Markets Leaders Fund (Formerly National Westminster Bank Plc As Depository of First State Global Emerging Markets Leaders Fund A Sub Fund of First State Investments I)	4,56,18,785	1.27	72,73,369	-	5,28,92,154	1.21
7	Goldman Sachs India Limited	4,54,25,515	1.26	-	-	4,54,25,515	1.04
8	Vanguard International Growth Fund	4,32,22,638	1.20	21,34,686	-	4,53,57,324	1.04
9	Citigroup Global Markets Mauritius Private Limited	2,40,12,751	0.67	3,02,95,344	2,37,19,707	3,05,88,388	0.70
10	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	-	0.00	3,00,00,000	-	3,00,00,000	0.69

**Notes:**

- 1 The above information is based on the weekly beneficiary position received from Depositories. As it is not feasible to provide daily change in shareholding, therefore consolidated changes during the Financial Year 2017-18 has been provided.
- 2 Date wise increase/ decrease in shareholding of the top ten shareholders is available on the Company's website [www. ideacellular.com](http://www.ideacellular.com).



## v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>A Directors</b>								
1	Mr. Kumar Mangalam Birla	2,33,333	0.01	April 1, 2017 March 31, 2018			2,33,333	0.01
2	Mr. Arun Thiagarajan	7,700	0.00	April 1, 2017 March 31, 2018			7,700	0.00
3	Ms. Tarjani Vakil	147	0.00	April 1, 2017 March 31, 2018			147	0.00
4	Mr. Sanjeev Aga	2,50,000	0.01	April 1, 2017 March 31, 2018			2,50,000	0.01
5	Mr. Himanshu Kapania	4,34,375	0.01	April 1, 2017 April 25, 2017 June 21, 2017 September 26, 2017 November 20, 2017 February 27, 2018 March 28, 2018 March 31, 2018	1,00,000 30,000 25,000 (45,000) 3,08,333 (10,000)	Shares allotted under ESOP Shares allotted under ESOP Shares allotted under ESOP Market Sale Shares allotted under ESOP Market Sale	5,34,375 5,64,375 5,89,375 5,44,375 8,52,708 8,42,708 8,42,708	0.02 0.02
6	Mr. Akshaya Moondra	2,77,444	0.00	April 1, 2017 March 31, 2018			2,77,444	0.01
<b>B. Key Managerial Personnel</b>								
1	Mr. Pankaj Kapdeo	32,265	0.00	April 1, 2017 July 27, 2017 March 23, 2018 March 31, 2018	5,187 32,000	Shares allotted under ESOP Shares allotted under ESOP	37,452 69,452 69,452	0.00 0.00 0.00

**Note**

- 1 Apart from above mentioned Directors, no other directors hold any shares in the Company.
- 2 Shares held singly or as first holder are only considered.

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ Mn

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	88,322	462,213	-	550,535
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	198	28,353	-	28,551
<b>Total (i+ii+iii)</b>	<b>88,520</b>	<b>490,566</b>	<b>-</b>	<b>579,086</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	62,026	98,791	-	160,817
• Reduction	56,333	75,910	-	132,243
<b>Net Change</b>	<b>5,693</b>	<b>22,881</b>	<b>-</b>	<b>28,574</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	94,054	485,797	-	579,851
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	159	27,649	-	27,808
<b>Total (i+ii+iii)</b>	<b>94,213</b>	<b>513,447</b>	<b>-</b>	<b>607,659</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ Mn

Sr. No.	Particulars of Remuneration	Mr. Himanshu Kapania (Managing Director)	Mr. Akshaya Moondra (Whole Time Director & CFO)
1	Gross Salary		
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	76.36	25.70
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961 <sup>@</sup>	4.60	0.46
c.	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961		
2	Stock Options <sup>@</sup>	34.54	
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- other, specify		
5	Others (Retiral Benefits)	2.27	0.57
<b>Total (A)</b>		<b>117.77</b>	<b>26.73</b>
<b>Ceiling as per the Act<sup>@@</sup></b>		<b>161.72</b>	<b>161.72</b>

**Notes:**

<sup>@</sup> Value of perquisites u/s 17(2) of the Income Tax Act, 1961 does not include perquisite value of ₹ 34.54 Mn, towards stock options exercised by Mr. Himanshu Kapania during Financial Year 2017-18. The same has been shown separately in point no. 2.

<sup>@@</sup> Based on Effective Capital as per Schedule V of the Companies Act, 2013.

B. Remuneration to Non-Executive Directors including Independent Directors				₹ Mn
Name of Director	Fee for attending Board/ committee meetings	Commission	Total Amount	
<b>Independent Directors</b>				
Mr. Arun Thiagarajan	0.54	-	0.54	
Mr. Mohan Gyani	0.10	-	0.10	
Ms. Tarjani Vakil	0.82	-	0.82	
Mr. B. R. Gupta	0.25	-	0.25	
Mr. P. Murari	0.15	-	0.15	
Mrs. Alka M. Bharucha <sup>1</sup>	0.53	-	0.53	
<b>Total (B1)</b>	<b>2.39</b>	<b>-</b>	<b>2.39</b>	
<b>Non-Executive Directors</b>				
Mr. Kumar Mangalam Birla (Chairman)	0.38	-	0.38	
Mrs. Rajashree Birla	0.16	-	0.16	
Mr. Sanjeev Aga	0.51	-	0.51	
Dr. Shridhir Sariputta Hansa Wijayasuriya <sup>2</sup>	0.30	-	0.30	
<b>Total (B2)</b>	<b>1.35</b>	<b>-</b>	<b>1.35</b>	
<b>Total (B) = (B1) + (B2)</b>	<b>3.74</b>	<b>-</b>	<b>3.74</b>	
<b>Total ceiling as per the act</b>		<b>Sitting Fees paid is within the limits specified under the Companies Act, 2013</b>		

**Note:**

- Mrs. Alka M. Bharucha ceased to be Director of the Company with effect from 31.03.2018.
- Dr. Shridhir Sariputta Hansa Wijayasuriya ceased to be Director of the Company with effect from 30.03.2018.

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Directors / Manager:				₹ Mn
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Akshaya Moondra <sup>#</sup> Chief Financial Officer	Mr. Pankaj Kapdeo Company Secretary	
1	Gross Salary			
a.	Sal Tax Act, 1961	25.70	8.87	34.57
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961 <sup>@</sup>	0.46	0.04	0.50
c.	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Options <sup>@</sup>		2.49	2.49
3	Sweat Equity	-	-	-
4	Commission	-	-	-
-	as % of profit	-	-	-
-	other, specify	-	-	-
5	Others (Retiral Benefits)	0.57	0.50	1.07
<b>Total</b>		<b>26.73</b>	<b>11.90</b>	<b>38.63</b>

**Notes:**

<sup>#</sup> Mr. Akshaya Moondra is a Whole-time Director and Chief Financial Officer. His remuneration is also shown at VI A.

<sup>@</sup> Value of perquisites u/s 17(2) of the Income Tax Act, 1961 does not include perquisite value of ₹ 2.49 Mn, towards stock options exercised by Mr. Pankaj Kapdeo during FY 2017-18. The same has been shown separately in point no. 2.

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

## Annexure 'I' to the Directors' Report

### Dividend Distribution Policy

This policy applies to the distribution of dividend by Idea Cellular Limited ('the Company') in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 1.0 Introduction

- 1.1 As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy.
- 1.2 The objective of this policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

#### 2.0 Target Dividend Payout

- 2.1 As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy.
- 2.2 Dividend will be declared out of the current year's Profit after Tax of the Company.
- 2.3 Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.
- 2.4 'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains / losses, will not be considered for the purpose of declaration of dividend.
- 2.5 The Board will endeavor to achieve a dividend payout ratio (gross of dividend distribution tax) in the range of 5% to 25% of the Standalone Profit after Tax, net of dividend payout to preference shareholders, if any.

#### 3.0 Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividend:

- Stability of earnings
- Cash flow position from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic/regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

#### 4.0 General

Retained earnings will be used for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

#### 5.0 Review

This policy would be subject to revision / amendment on a periodic basis, as may be necessary.

#### 6.0 Disclosure

This policy (as amended from time to time) will be available on the Company's website and in the annual report.

## Management Discussion and Analysis Report

### Indian Wireless Sector

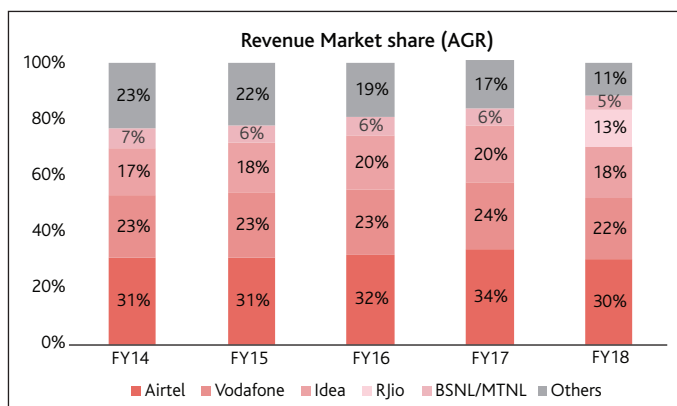
The Indian wireless industry continued to witness significant disruption and elevated hypercompetitive intensity during FY18 too as seen in FY 17 following the entry of the new 4G mobile operator in September 2016. The incumbent operators, in the order to retain existing subscribers, offered aggressive price plans (primarily the discounted unlimited voice bundled data plans), in response to heavily discounted tariff plans of the new operator. This has resulted in explosive growth of voice and data volume, but sharp drop in realizations for both voice and data and subsequent decline in customer ARPU negatively impacting the revenues and shrinking the overall revenue market of the industry.

Further, during the year TRAI made two major regulatory changes which aggravated the financial stress for the existing industry operators - (a) reduction of domestic 'Mobile Termination Charge' (MTC) from 14 paisa to 6 paisa per minute, effective 1<sup>st</sup> October 2017, and (b) reduction of 'International Mobile Termination' settlement charges from 53 paisa to 30 paisa per minute, effective 1<sup>st</sup> February 2018. The domestic and international MTC downward revisions has significant negative impact on most operators and impaired their ability to make large investments to achieve the objectives of 'Digital India' program.

These factors led to steep decline in industry revenue as the Adjusted Gross Revenue (AGR) declined by nearly ₹ 297 billion, a fall of 21.1% (FY18 vs FY17).

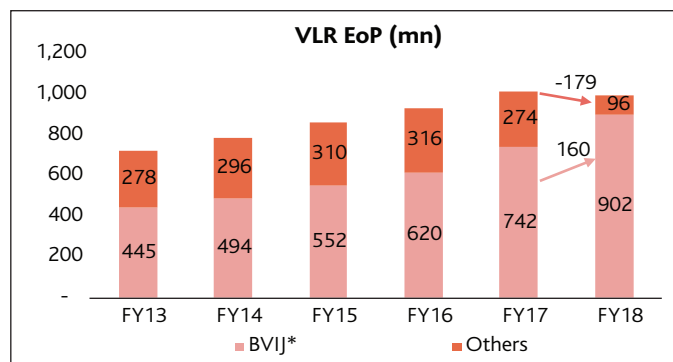
While the industry grappled with unsustainable ARPU and resultant revenue decline, the massive spurt in voice & mobile data volumes, driven by increasing penetration of unlimited bundled plans, continue to demand massive network investments. The stretched financial position has forced operators like Videocon, RCom & MTS to shut down their networks, while Aircel has filed for bankruptcy in February 2018. Telenor merged with Bharti Airtel in May 2018 while Tata is awaiting for regulatory approvals for its merger with Bharti Airtel.

The below chart depicts the trends in revenue market share over a period of time. The AGR RMS trends clearly suggest that the Industry is steadily consolidating among large private Pan India operators i.e Bharti Airtel, Jio, Vodafone and Idea while the remaining operators have been consistently losing market share.



With the exit of some of the operators, the SIM consolidation has started. Further, the unlimited bundled plans are also paving the way for the second phase of SIM consolidation as consumers who earlier used to split the usage on multiple SIMs are now trending towards committing their usage to a single SIM after opting for the bundled plans. As a result, the industry VLR subscribers fell from 1,016 million in March 2017 to 998 million in March 2018.

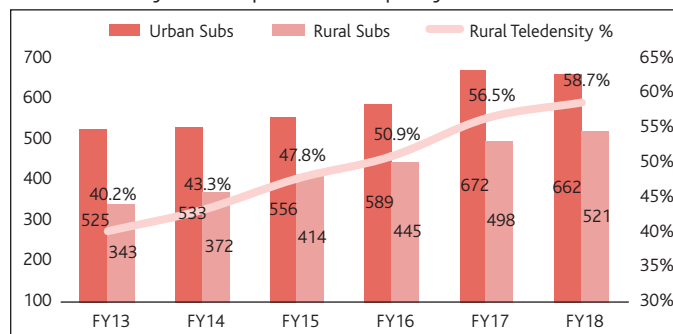
Following chart depicts how industry has overall witnessed decline of 18.4 million subscribers between March 2017 and March 2018, on account of SIM consolidation. The large operators (Bharti, Idea, Vodafone and Jio) have gained 160 million subscribers while smaller operators have witnessed significant subscriber loss of 179 million.



\*BVIJ – Bharti Airtel+Vodafone+Idea+Jio

The telecom industry has thus consolidated at a rapid pace from 8-10 operators around 18 months back to a more stable three large private operators and one government operator (on pan India basis).

A large proportion of new subscribers continue to come from rural India, which is the stronghold of Idea Cellular. Over the period of last five years, the rural subscriber base has witnessed massive expansion, from 343 million in FY13 to 521 million as of March 2018, an addition of 179 million customers, much higher than the urban subscriber addition of 137 million during the same period. In spite of rapid expansion in rural subscriber base, the rural penetration is still at a relative low level of 58.7%, indicating nearly 300-400 million Indians, primarily in the rural hinterland, are yet to adopt mobile telephony services.



The low rural subscriber penetration augurs well for the expected robust subscriber growth in future.

During FY18, industry broadband coverage has improved multi-fold and the 4G services being offered by the top four companies have become increasingly affordable for the masses with steep decline in pricing. As a

result, India had an impressive growth in wireless broadband subscriber (>512 kbps), up from 258 million in March 2017 to 394 million in March 2018. Despite such strong broadband subscriber addition, the wireless broadband subscriber penetration (on reported overall subscribers) still remains low at 33.4%.

The substantial broadband network investments made by the large operators in the last year has paved the way for government's 'Digital India' program. The tariffs for both mobile data and voice are amongst lowest globally and also at historical lows, which has catapulted India to one of the largest mobile volume market in the world. With falling entry prices for smartphone, affordable mobile data rates and range of entertainment, both video and audio apps, content and services, India is on the cusp of a major wireless broadband adoption cycle across all demographic segments of population.

## Discussion on Idea's Operational Performance

### Mobile Business overview

Your Company provides GSM-based mobile telecommunications services in all 22 Service Areas of India. Further, post the spectrum auction in October 2016, your Company has completed pan India Broadband Spectrum footprint. Your Company now owns 3G spectrum in 15 Service areas and 4G spectrum in 20 Service areas out of 22 Service Areas.

The 3G services of your company are available in 21 service areas (except Odisha), including intra-circle roaming arrangements with other mobile telecommunications service providers. With the launch of 4G services in the service area of Mumbai during May 2017, your company offers 4G services in 20 service areas, where it holds spectrum. Further, your company also launched Voice over LTE (VoLTE) services in these 20 service areas. The broadband services are available across all 22 circles.

### Voice Services:

Your Company has pan India GSM coverage in all 22 service areas. The 2G coverage of your company spans across ~395,000 towns and villages and provides coverage to ~1bn Indians representing ~82% of population.

### Non-Voice Services:

Non-Voice services of company can be categorized in following sub categories.

#### (a) Data Services:

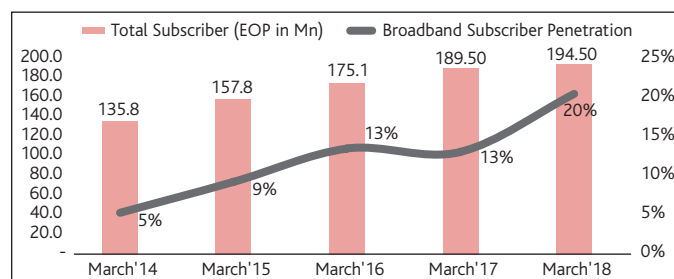
Your Company provides data services (EDGE and Broadband) in all the 22 service areas of India. The company owns 74 broadband carriers (44 carriers on FDD and 30 carriers on TDD) providing it sufficient capacity to cater its growing broadband data demand. Over last one year, the population coverage under broadband (3G+4G) network has increased from ~480 million (end of FY17) to ~650 million (end of FY18), reflecting aggressive expansion of broadband networks. The 4G spectrum profile of the company covers nearly 97% of its own revenue and 93% of industry revenue (on AGR basis). The company currently offers 3G services across 15 circles using 17 carriers which can also be potentially redeployed for 4G as & when majority of the customers upgrade their devices to 4G.

The following table provides the comparison of key data KPI over last few years:

Description	Unit	Q4FY18	Q4FY17	Q4FY16
Total Data Subscribers (2G+3G+4G)	000	46,803	42,233	44,019
Broadband Data Subscribers (3G+4G)	000	39,830	24,683	23,589
Total Data Volume (2G+3G+4G)	Mn MB	818,085	127,014	82,236
Broadband Data Volume (3G+4G)	Mn MB	793,457	104,223	57,603
Data Usage by Data Subscriber (2G+3G+4G)	MB	6,065	957	641
Broadband Data Usages by Broadband Data Subscribers (3G+4G)	MB	7,013	1381	857
Data ARPU for Data Subscriber (2G+3G+4G)	INR	83	110	147
Blended Data ARMB	Paisa/MB	1.4	11.5	22.9

With completion of pan Indian broadband presence during the year and aggressive broadband network expansion, your company has seen sharp rise in broadband subscriber penetration which should further strengthen in upcoming years.

### Idea's Total Subscriber and Broadband Subscriber Penetration



#### (b) Digital Services

The company embarked on the digital journey in January 2017, with the birth of Digital Idea offering suite of exciting Mobile Apps and services such as Idea Music, Idea Movies & TV, Idea Games and latest addition in the portfolio – a News & Magazines offering. These digital content applications are a one-stop destination, providing access on the fingertips to a large collection of popular and premium content, including a rich assortment of Hindi, Vernacular and International content. The company has entered into deep relationships with strong content owners such as Sony Music, Zee Entertainment, Universal Music, Hungama, Saregama amongst others.

Your company has been successfully onboarding subscribers digitally for self-help on the MyIdea App with over 33 million customers installing it. This is the top rated app amongst all the



Telecom Utility apps with 4.8 rating on Apple store and 4.3 rating on Google Play Store. Idea Music, Idea Movies & Live TV and Idea Games offers a complete suite of digital entertainment services and these applications cumulatively have an installed base of 17.7 million.

- **Idea Music** offers a rich library of nearly 3.5 million Indian and international music tracks, which will grow to nearly 20 million tracks in near future. The Idea Music app constantly appears amongst the top ranked app on the Play Store. The app hosts diverse content not only across 13 Indian languages, including Bollywood, South Indian Cinema etc. but also across International artists, albums and tracks from several major music labels. As on 31 March 2018, nearly 6.3 million customers have installed the app.
- **Idea Movie & Live TV** - The award winning Idea Movies & TV app offers 400+ Live TV channels and is seeing strong increase in consumption in the regional & vernacular genres. The app offers over 8,000 movies across Bollywood, Regional & International, TV shows with 7 days catch-up TV, music videos and have over 75,000 pieces of content. Live and Catch up TV including premium channels, is offered in collaboration with Ditto TV & Yupp TV. Additional bouquet of channels has been added from Discovery and MultiTV recently, ensuring that all major genres are covered. Consequently at 4.4 rating it has been amongst the top rated app on the Play Store. As on 31 March 2018, over 9.3 million customers have installed the app.
- **Idea Games** is the gaming destination with a collection of nearly 2,000 games across all genres. Targeted at the gaming aficionado and the casual gamer, these games can be played both in the online and offline mode. As on 31 March 2018, nearly 2.24 million customers have installed Idea Games app.
- **Idea News and Magazines** is the destination for latest news and magazines with a collection of more than 5,000 magazines across 65 languages and latest News updates delivered in 7 languages across categories including Health, Sports, and Technology. Idea has tied up with Magzter – the largest aggregator of Magazines in the world. As on March 31 2018, more than 30,000 subscribers have tried the Magazine service and more than 14,500 readers per month use the News service

With the suite of these Mobile apps and services, committed to the Prime Minister's Digital India vision, Idea is focused on transformation from a Telecom service provider to a Digital provider through inclusion rather than disruption.

**(c) Other VAS Offerings**

Your company offers a variety of other VAS offerings, including:

- Entertainment services such as sports (score updates), IVR based content (Idea music station), WAP based games;

- Voice and SMS based services such as ring back tones, voice and SMS chat, star talk, expert advice and subscriptions services;
- Utility services such as missed call alerts, doctor on call and astrology services; and
- Direct Carrier billing on Google Play for our customers.

**Long Distance Services and ISP**

Your Company holds licenses for NLD, ILD, ISP and IP-1 services. Idea NLD carries 98.2% of its captive NLD minutes. Your Company ILD services now handle almost 100% of captive ILD outgoing minutes, besides bringing incoming minutes traffic from top international carriers across the globe. Your Company also offer ISP services to external customers like small ISP and enterprise customers for their wholesale internet backhaul needs. Idea ISP currently handles all captive subscriber traffic requirements.

**Idea Mobile Banking Services**

**Prepaid Payment Instrument Business (PPI)**

The Prepaid Payment Instrument business was being carried out by Idea Mobile Commerce Services Limited, (IMCSL) a wholly owned subsidiary of the Company. However, to comply with the conditions prescribed by RBI for setting up Payments Bank, IMCSL had filed a petition under section 391 to 394 of the Companies Act, 1956 with Hon'ble Delhi High Court for its amalgamation with Aditya Birla Idea Payments Bank Limited (ABIPBL). ABIPBL had also filed similar petition in Hon'ble Bombay High Court. Both the courts have approved the scheme of amalgamation and hence IMCSL has folded into ABIPBL, which commenced banking operations on February 22, 2018.

**Payments Bank**

Aditya Birla Idea Payment Bank Limited (APIPBL) received banking license from RBI on April 3, 2017. The Payments Bank services were launched on February 22, 2018. The company will acquire and service new Payments Bank customers both 'Online' leveraging the power of around 40 million digital customers of company and other entities (or businesses) of Aditya Birla Group as well as 'Offline' leveraging the strength of Idea's 2 Million+ retail distribution channel partners in around 395,000 towns and villages. The Payments Bank intends to promote a wide range of banking products & services including current and savings bank account, domestic remittances, merchant payments etc. while partnering with ABG financial services, select universal banks & financial institutions for offering range of full banking products including Demand Deposits, other related investment and Insurance products to its payments bank customer.

**Passive Infrastructure Services**

**Own Towers**

Besides investment in Indus Towers, your company mainly through its 100% subsidiary ICISL, held 10,021 towers and 17,534 tenancies at a tenancy ratio of 1.75, as of March 31, 2018. On 13<sup>th</sup> November 2017, your Company and Vodafone India, separately agreed to sell their respective standalone tower business in India to ATC Telecom Infrastructure Ltd

(American Tower) for an aggregate enterprise value of ₹ 78.5 billion (₹ 40 billion for Idea and ₹ 38.5 billion for Vodafone). The ICISL transaction with American Towers was completed effective May 31<sup>st</sup> 2018.

### Indus Towers

Indus Towers Ltd. (Indus), a joint venture between Bharti Infratel Ltd., Vodafone India Ltd and Idea Cellular Ltd through its subsidiary Aditya Birla Telecom Ltd. (ABTL), is one of the world's leading tower company with 1,23,639 towers and tenancy ratio of 2.25 as of March 31, 2018. Idea through its subsidiary ABTL owns 11.15% of Indus stake. The proportionate profit/loss of Indus is presently consolidated at PAT level in Idea's financials.

On 25th April 2018, merger of Bharti Infratel and Indus towers was announced which will create a listed pan-India tower company. Your company has the option to either: (1) sell its 11.15% shareholding in Indus towers for cash based on a valuation formula linked to the VWAP for Bharti Infratel's shares during the 60 trading days at the end of Idea's election period which triggers post completion of all regulatory approvals

required for the merger. This equals to a cash consideration not exceeding ~₹ 56 billion (as of June 30, 2018) or alternatively; (2) receive new shares in the combined company based on the Merger ratio (1,565 shares of Bharti Infratel for every 1 Indus Towers share).

### Competitive Spectrum Profile

Your company has a total of 891.2 MHz spectrum across 22 circles of which 824 MHz has been acquired in the auctions held in the last 7 years while only 67.2 MHz is administratively allocated (1800 MHz). The spectrum acquired through auctions is liberalised and can be used towards deployment of any technology. For instance, Idea has launched 3G on its 2nd carrier of 900MHz (typically used for GSM) in the service areas of Maharashtra and Madhya Pradesh during Q4FY16 to increase wireless broadband capacity. Further, Idea currently offers 4G services in Mumbai and UPE on 2100 MHz band (typically used for 3G). At present, the company has total 74 broadband carriers across 22 service areas providing it sufficient capacity to cater to growing data demand. Below table provides the spectrum held by the company across all service areas and the spectrum split over use across various technologies of GSM (2G), HSPA+(3G) and LTE (4G):

Service Areas	FDD				TDD			FDD (2x)* +TDD	GSM (2G) services	Broadband Carrier		
	900	1800	2100	Total	2300	2500	Total			3G	4G	Total
Maharashtra	9.0	11.0	5.0	25.0	10.0	10.0	20.0	70.0	√	2	5	7
Kerala	6.0	10.0	5.0	21.0	10.0	10.0	20.0	62.0	√	1	5	6
Madhya Pradesh	7.4	11.6	5.0	24.0	10.0	20.0	30.0	78.0	√	2	7	9
Uttar Pradesh (West)	5.0	9.4	5.0	19.4		10.0	10.0	48.8	√	1	4	5
Gujarat	5.0	10.0	5.0	20.0		10.0	10.0	50.0	√	1	4	5
Andhra Pradesh	5.0	6.0	5.0	16.0		10.0	10.0	42.0	√	1	3	4
Punjab	5.6	10.0	5.0	20.6				41.2	√	1	2	3
Haryana	6.0	10.8	5.0	21.8		10.0	10.0	53.6	√	1	4	5
<b>8 Leadership Circle (Sub Total)</b>	<b>49.0</b>	<b>78.8</b>	<b>40.0</b>	<b>167.8</b>	<b>30.0</b>	<b>80.0</b>	<b>110.0</b>	<b>445.6</b>		<b>10</b>	<b>32</b>	<b>42</b>
Uttar Pradesh (East)		6.2	10.0	16.2		10.0	10.0	42.4	√	1	3	4
Rajasthan		11.2	5.0	16.2		10.0	10.0	42.4	√	1	3	4
Bihar		10.80	5.0	15.8		10.0	10.0	41.6	√	1	3	4
Himachal Pradesh		9.8	5.0	14.8		10.0	10.0	39.6	√	1	3	4
Delhi	5.0	8.6		13.6				27.2	√	1	0	1
Mumbai		6.4	5.0	11.4				22.8	√		1	1
Karnataka	5.0	6.0		11.0				22.0	√		1	1
<b>7 Emerging Circle (Sub Total)</b>	<b>10.0</b>	<b>59.0</b>	<b>30.0</b>	<b>99.0</b>		<b>40.0</b>	<b>40.0</b>	<b>238.0</b>		<b>5</b>	<b>12</b>	<b>17</b>
Tamil nadu		11.4		11.4				22.8	√		1	1
Kolkata		5.0	5.0	10.0				20.0	√	1		1
West Bengal		11.40		11.4		10.0	10.0	32.8	√		3	3
Odisha		10.0		10.0		10.0	10.0	30.0	√		3	3
Assam		10.0		10.0		10.0	10.0	30.0	√		3	3
North East		11.0		11.0		10.0	10.0	32.0	√		3	3
Jammu & Kashmir		10.0	5.0	15.0		10.0	10.0	40.0	√	1	3	4
<b>7 New Circle (Sub Total)</b>		<b>68.8</b>	<b>10.0</b>	<b>78.8</b>		<b>50.0</b>	<b>50.0</b>	<b>207.6</b>		<b>2</b>	<b>14</b>	<b>16</b>
<b>Total 22 Circle</b>	<b>59.0</b>	<b>206.6</b>	<b>80.0</b>	<b>345.6</b>	<b>30.0</b>	<b>170.0</b>	<b>200.0</b>	<b>891.2</b>	<b>22</b>	<b>17</b>	<b>57</b>	<b>74</b>

5 MHz of paired FDD spectrum = 1 carrier, 10 MHz of unpaired TDD spectrum = 1.5 carrier.

## Network Infrastructure and Coverage

During FY18, your company continued aggressive expansion of its wireless broadband infrastructure, adding 44,856 broadband sites (3G+4G) during the year. The broadband sites increased from 110,054 as of 31<sup>st</sup> March 2017 to 154,910 sites as of 31<sup>st</sup> March 2018, taking the overall network footprint on EoP to 286,356 sites (GSM+3G+4G). The wireless broadband population under coverage now expands beyond 650 million Indians spread across 164,000 towns and villages in 22 service areas. Your Company started deploying 2300 MHz TDD spectrum in its leadership circles of Maharashtra & Kerala. The company expanded its fibre network from 115,500 km (31<sup>st</sup> March 2016) to 156,800 km as on 31<sup>st</sup> March 2018. Your Company also launched Voice over LTE (VoLTE) services for employees in select circles recently and is scheduled to introduce VoLTE services in phased manner for its customers from May 2018.

## Quality Subscriber Base

Your company is one of the largest mobile telecommunications company globally servicing around 208 million quality subscribers on VLR as of March 31, 2018. This large base of subscribers provides a great platform to the company for upgrading pure voice customers to Wireless Data services, Digital content & Payment services. The March 2018 data released by TRAI for active subscribers (VLR subscribers), reaffirms quality of company's subscriber base as among the best in terms of percentage of active subscribers. As of March 2018, your company has 98.4% of reported subscribers as VLR subscribers, amongst the highest in the industry. Further, your company hold its subscriber base and further added a healthy 9.4 million subscribers (on VLR) during this 12 month period from March, 2017 to March, 2018 despite the prolonged period of low tariffs by the new entrant.

## Power Brand

In 2017-18, we focused our advertising efforts on building Idea as a strong 4G player. Idea launched six TV campaigns - Network coverage, Idea Mobile Apps Portfolio, A Video can change your life, 4G Handset bundled offer, Unlimited calls at ₹ 179, Nirvana Postpaid Plans. These were high decibel TV campaigns, supported with Radio, Outdoor and Digital among other media.

In the beginning of 2017, Idea expanded its 4G footprint to 20 circles and launched the "India Jitna Bada network" campaign to announce the same. The television commercial showcased that with pan India 4G coverage, everyone is now hooked on to Idea 4G across India.

The "No Ajnabi with Idea 4G" campaign helped build relevance for 4G usage through the launch of Idea Mobile Apps portfolio - Idea Games, Idea Movies & TV and Idea Music. The campaign positioned Idea's entertainment apps as the ultimate icebreaker that enable people to find common ground and make new connections. The TVC showcased a young protagonist converting strangers into friends using Idea's Mobile apps.

Idea's most impactful campaign this year – "A video can change your life" aimed at changing the category conversation by elevating the role of Idea

4G beyond functional attributes like speed and coverage to something that reflects its transformative role in people's lives and society. For a nation like ours, videos do not just entertain people, but influence their view, inspire them, move and lead people to positive actions. This campaign was inspired by the many transformational stories enabled by videos that reach millions of people on Idea's 4G network.

Idea launched two big offers this year that further helped build its value for money proposition – catering to both voice and data users. The first campaign "Ye hui na baat" launched the ₹ 179 pack that allowed customers to make unlimited voice calls. The Handset bundled offer launched to get a disproportionate share of customers buying new 4G handsets was supported by the campaign - "Buyer jo bhi, 4G smartphone koi bhi, ₹ 2000 cashback with Idea 4G".

We ended the year with a new offering - Idea Postpaid Nirvana Plans. They were launched as a holistic solution for customers looking beyond mobile connectivity that would make his/her life convenient and stress free. The tagline "Everything is taken care of" encapsulated the freedom of unlimited calls, non-stop internet with data carry forward, device security, free roaming across India, ISD benefits and the privilege of priority service with Idea's Nirvana Postpaid Plans.

## STANDALONE FINANCIAL RESULTS

### Revenues

Revenue from operations for the financial year ended March 31, 2018 decreased by 21.1% and stood at ₹ 278,286 Mn as compared to ₹ 352,786 Mn for the financial year ended March 31, 2017, primarily due to decrease in service revenues. The realised rates have declined primarily due to hyper competition and increased penetration of unlimited plans. This has led to the decrease in service revenues although the minutes of usage has increased by 33.8%.

Other Income comprising of Interest Income and Gain on Investments in mutual funds increased by 51.3% from ₹ 1,970 Mn in the previous year to ₹ 2,982 Mn in the current year. The increase is mainly on account of interest income related to on Income tax refunds.

### Operating Expenses

Total operating expenditure for the financial year ended March 31, 2018 decreased by 12.0% to ₹ 221,828 Mn from ₹ 252,167 Mn incurred in the previous year. The decline is primarily on account of decrease in variable cost in line with dip in revenues and on account of the cost optimisation initiatives undertaken by the company during the year.

**Personnel Expenditure:** Personnel Expenditure decreased by 14.1% from ₹ 16,256 Mn in the previous year to ₹ 13,968 Mn in the current year, primarily due to reduction in headcount.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost decreased by 4.3% from ₹ 101,813 Mn in the previous year to ₹ 97,449 Mn in the current year, primarily arising out of cost optimisation initiatives even though there has been an increase in overall cell sites as under :

Particulars	As on March 31, 2018	As on March 31, 2017	Increase / (Decrease)
2G cell sites	131,446	131,486	(40)
Broadband cell sites (3G+4G)	154,910	110,054	44,856
<b>Total cell sites</b>	<b>286,356</b>	<b>241,540</b>	<b>44,816</b>

During the year Idea consolidated its network infrastructure with 3G (HSPA), 4G (LTE) technologies collectively. The GSM coverage has expanded to nearly 1 billion Indians in around 395,000 towns and villages. Idea broadband services has expanded to over 164,000 towns and villages covering over 650 million Indians.

**Licence Fees and Spectrum Usage Charges:** Licence Fees and Spectrum Usage charges decreased by 29.2% from ₹ 40,515 Mn in the previous year to ₹ 28,667 Mn in the current year, corresponding to decrease in revenue.

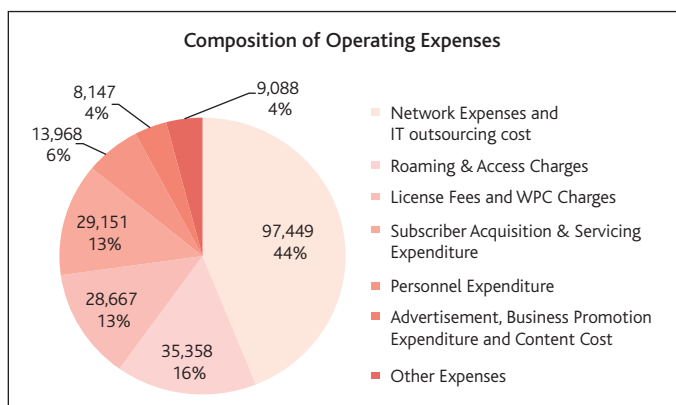
**Roaming and Access Charges:** Roaming and Access Charges decreased by 17.3% from ₹ 42,754 Mn in the previous year to ₹ 35,358 Mn in the current year. The decrease is primarily attributable to the reduction in IUC rates (partially offset by increase in volumes) and cost towards intra circle roaming arrangements which have decreased as the Company has expanded its own network coverage.

**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure, decreased by 7.3% from ₹ 31,442 Mn in the previous year to ₹ 29,151 Mn in the current year, primarily as a result of decrease in gross subscriber additions.

**Advertisement, Business Promotion Expenditure and content cost:** Advertisement, Business Promotion Expenditure and content cost decreased by 13.2% from ₹ 9,390 Mn in the previous year to ₹ 8,147 Mn in the current year.

**Administration and Other Expenses:** Administration and Other Expenses decreased by 9.1% from ₹ 9,997 Mn in the previous year to ₹ 9,088 Mn in the current year primarily due to decrease in rates & taxes, CSR expenses and provision for doubtful debts.

The composition of total operating expenses (amount and %age to total operating expenses) is as follows:



### **Profit before Finance charges, Depreciation, Amortisation and Taxes (EBITDA)**

The decrease in service revenues being higher than decrease in operating expenditure has resulted in EBITDA decline by 42.1% from ₹ 102,590 Mn for the previous year to ₹ 59,440 Mn for the current year. EBITDA as a % age of Total Income decreased to 21.1% in the current year as compared to 28.9% in the previous year.

### **Depreciation, Amortisation and Finance Charges**

Depreciation and Amortisation expenses increased by 8.0% from ₹ 77,000 Mn in the previous year to ₹ 83,161 Mn in the current year. The depreciation charge for the year has increased by 2.1% from ₹ 48,643 Mn in the previous year to ₹ 49,688 Mn in the current year, primarily due to gross block additions. The amortisation charge for the year has increased by 18.0% from ₹ 28,357 Mn in the previous year to ₹ 33,473 Mn in the current year primarily due to increased amortisation on spectrum capitalised during the year.

Finance Charges for the current year increased from ₹ 39,780 Mn in the previous year to ₹ 49,245 Mn in the current year, largely due to higher average net debt, higher forex loss and lower interest capitalisation on spectrum put to use during the year.

### **Profits/Loss and Taxes**

The loss before tax for the year stood at ₹ 72,967 Mn as compared to a loss of ₹ 14,190 Mn in the previous year. The loss after tax for the year stood at ₹ 47,808 Mn. Cash Profit for the year stood at ₹ 9,970 Mn, a decrease of 84.4% over the previous year.

### **Capital Expenditure**

The Company incurred capital expenditure consisting mostly of network equipment (including capital advances) of ₹ 72,848 Mn.

### **Balance Sheet**

The Gross Block and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 1,050,994 Mn and ₹ 832,932 Mn respectively as at March 31, 2018. Investment in subsidiaries and associates stood at ₹ 18,583 Mn. Other financial assets increased by ₹ 245 Mn from ₹ 58,669 Mn to ₹ 58,914 Mn primarily due to increase in Investment in Units of Liquid Mutual Funds partially offset by decrease in Trade Receivables. Other assets increased by ₹ 8,435 Mn from ₹ 40,147 Mn to ₹ 48,582 Mn primarily due to increase in assets held for sale and advanced tax (including TDS). Deferred Tax asset as at March 31, 2018 stood at ₹ 8,219 Mn as compared to a Deferred Tax liability of ₹ 16,791 Mn as on March 31, 2017.

The paid-up equity share capital of the Company increased by ₹ 7,540 Mn, pursuant to issuance of 326,633,165 equity shares under preferential allotment, 424,242,424 equity shares under qualified institutional placement (QIP) and 3,117,110 equity shares to the employees on exercise of stock options granted under Employee Stock Option Scheme, 2006 and Employee Stock Option Scheme, 2013. Other equity of the Company increased from ₹ 201,184 Mn to ₹ 213,102 Mn mainly due to increase in securities premium by ₹ 59,984 Mn realised on issue of



shares by way of preferential allotment and QIP. However the increase in equity due to increase in securities premium is partially offset by current year's losses. As on March 31, 2018, the total equity stood at ₹ 256,695 Mn.

Total borrowings increased by ₹ 29,316 Mn and stood at ₹ 579,851 Mn as on March 31, 2018. Other financial liabilities decreased by ₹ 23,170 Mn and stood at ₹ 95,260 Mn primarily due to decrease in payables for capital expenditure. Other Liabilities and Provisions increased by ₹ 794 Mn from ₹ 34,630 Mn to ₹ 35,424 Mn as on March 31, 2018.

**Cash Flow Statement**

The cash generated from operating activities of ₹ 51,853 Mn along-with net proceeds from borrowings ₹ 26,935 Mn and proceeds from issue of equity shares of ₹ 67,214 Mn was primarily used for capital expenditure payout of ₹ 86,040 Mn, payment of interest and finance charges ₹ 55,186 Mn and short term investment in Mutual Funds ₹ 4,117 Mn. Consequently the overdraft of cash and cash equivalents as at the year end decreased marginally by ₹ 41 Mn.

**CONSOLIDATED FINANCIAL RESULTS**

**Revenues**

Revenue from operations for the financial year ended March 31, 2018 decreased by 20.5% and stood at ₹ 282,789 Mn as compared to ₹ 355,757 Mn for financial year ended March 31, 2017, primarily due to decrease in service revenues. The decrease in the mobility and ILD service revenue as explained above in the Standalone Financial Results section is partially offset by increase in revenue from Passive Infrastructure services by 150.1% to ₹ 2,724 Mn from ₹ 1,089 Mn. Sale of Trading Goods decreased by 77.6% to ₹ 51 Mn from ₹ 228 Mn in the previous year, primarily due to reduction in volume.

Other Income comprising of Interest Income and Gain on investments in mutual fund increased by 15.0% from ₹ 3,529 Mn in the current year from ₹ 3,069 Mn in the previous year primarily due to interest income related to Income tax refunds.

**Operating Expenses**

Total operating expenditure for the financial year ended March 31, 2018 decreased by 12% to ₹ 222,314 Mn in the current year from ₹ 253,321 Mn incurred in the previous year, mainly on account of decrease in variable cost in line with dip in revenues and on account of cost optimization initiatives undertaken by the company during the year.

**Cost of Trading Goods:** Cost of Trading Goods decreased by 73.8% to ₹ 73 Mn in the current year from ₹ 279 Mn incurred in the previous year primarily due to reduction in volume.

**Personnel Expenditure:** Personnel Expenditure for the financial year ended March 31, 2018 decreased by 14.2% to ₹ 15,430 Mn from ₹ 17,976 Mn incurred during the previous year, primarily as a result of reduction in headcount.

**Network Expense and IT Outsourcing Cost:** Network Expense and IT Outsourcing Cost decreased by 4.4% from ₹ 101,817 Mn in the previous year to ₹ 97,333 Mn in current year, primarily as a result of cost optimisation.

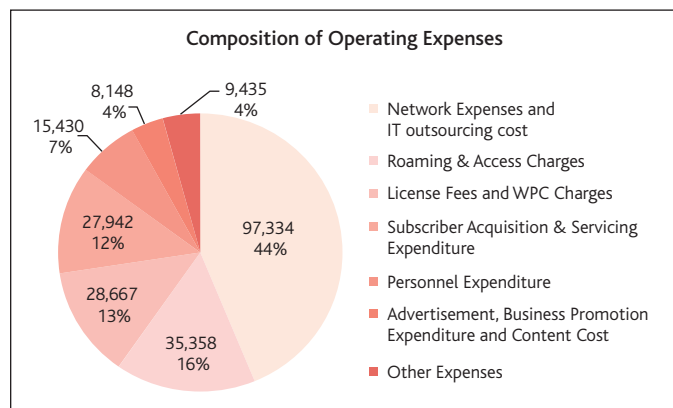
**Licence Fees and Spectrum Usage Charges & Roaming and Access Charges:** The decrease in these expenses pertains only to the company covered above under the Standalone Financial Results section.

**Subscriber Acquisition and Servicing Expenditure:** Subscriber Acquisition and Servicing Expenditure, decreased by 7.7% from ₹ 30,282 Mn in the previous year to ₹ 27,942 Mn in the current year, primarily as a result of decrease in gross subscriber additions.

**Advertisement, Business Promotion Expenditure and content cost:** Advertisement, Business Promotion Expenditure and content cost decreased by 13.4% from ₹ 9,413 Mn in the previous year to ₹ 8,148 Mn in the current year.

**Administration and Other Expenses:** Administration and Other Expenses decreased by 9.0% from ₹ 10,284 Mn in the previous year to ₹ 9,362 Mn in the current year, primarily due to the decrease in expenses as covered above under the Standalone Financial Results section.

The composition of total operating expenses (amount and %age to total operating expenses) is as follows:



**Profit before Finance charges, Depreciation, Amortisation and Taxes (EBITDA)**

The decrease in revenues being higher than decrease in operating expenditure has resulted in the decrease of EBITDA by 39.3% from ₹ 105,506 Mn for the previous year to ₹ 64,005 Mn for the current year. EBITDA as a percentage of total Income decreased to 22.4% compared to 29.5% for the previous year.

**Depreciation, Amortisation and Finance Charges**

Depreciation and Amortisation expenses increased by 7.4% from ₹ 78,272 Mn in the previous year to ₹ 84,091 Mn in the current year. The depreciation charge for the year has increased by 1.4% from ₹ 49,914 Mn in the previous year to ₹ 50,630 Mn in the current year, primarily due to gross block additions. The amortisation charge for the year has increased by 18.0% from ₹ 28,358 Mn in the previous year to ₹ 33,461 Mn in the current year, primarily due to the increased amortisation on spectrum capitalised during the year.

Finance Charges for the current year increased from ₹ 40,085 Mn to ₹ 48,130 Mn, largely due to reasons as explained above in the Standalone Financial Results Section.



### Profit/ Loss and Taxes

The loss before tax for the year stood at ₹ 64,992 Mn as compared to a loss of ₹ 18,632 Mn in the previous year. The loss after tax for the year stood at ₹ 41,682 Mn. Cash Profit for the year stood at ₹ 17,636 Mn, a decrease of 74.8% over the previous year.

### Capital Expenditure

The capital expenditure (including capital advances) during the year was ₹ 73,031 Mn. consisting mainly of network equipment.

### Balance Sheet

The Gross Block and Net Block (including Capital Work in Progress and Intangible assets under development) stood at ₹ 1,050,761 Mn and ₹ 832,711 Mn respectively as at March 31, 2018. Investment in joint venture and associate stood at ₹ 16,601 Mn. Other financial assets increased by ₹ 1,733 Mn from ₹ 68,275 Mn to ₹ 70,007 Mn, primarily due to increase in Investment in Units of Liquid Mutual Funds partially offset by decrease in Trade Receivables. Other Assets increased by ₹ 13,704 Mn from ₹ 40,635 Mn to ₹ 54,339 Mn primarily due to increase in asset held for sale and Advance tax (including TDS).

The paid-up equity share capital of the Company increased by ₹ 7,540 Mn, pursuant to issuance of 326,633,165 equity shares under preferential allotment, 424,242,424 equity shares under qualified institutional placement (QIP) and 3,117,110 equity shares to the employees on exercise of stock options granted under Employee Stock Option Scheme, 2006 and Employee Stock Option Scheme, 2013. Other equity of the Company increased from ₹ 211,269 Mn to ₹ 229,031 Mn mainly due to increase in securities premium by ₹ 59,984 Mn realised on issue of shares by way of preferential allotment and QIP. However the increase in equity due to increase in securities premium is partially offset by current year's losses. As on March 31, 2018, the total equity stood at ₹ 272,625 Mn.

Total borrowings increased by ₹ 29,306 Mn and stood at ₹ 579,851 Mn as on March 31, 2018. Other financial liabilities decreased by ₹ 24,764 Mn and stood at ₹ 95,134 Mn primarily due to decrease in payables for capital expenditure. Other Liabilities and Provisions decreased by ₹ 164 Mn from ₹ 35,693 Mn to ₹ 35,529 Mn as on March 31, 2018. Deferred Tax Liabilities as at March 31, 2018 stood at ₹ 659 Mn as compared to ₹ 13,587 Mn as on March 31, 2017.

### Cash Flow Statement

The cash generated from operations of ₹ 53,324 Mn, net proceeds from borrowings of ₹ 26,935 Mn, proceeds from issue of equity shares of ₹ 67,214 Mn and dividend from joint venture of ₹ 2,657 Mn along with opening cash and cash equivalents of ₹ 435 Mn was primarily used for capital expenditure of ₹ 86,508 Mn, payment of interest and finance charges ₹ 54,900 Mn and short term investment in mutual funds ₹ 8,385 Mn. Consequently cash and cash equivalents stood decreased at the year end at an overdraft of ₹ 24 Mn.

### Human Resources

Your Company continues to be an Employer of Choice and has been recognized as being amongst the "Top 25 Best Companies to Work For" conducted by Business Today. Your Company's standing here continues

to be a reflection of not just its employees' view but also of the larger Indian workforce which responded. Your Company's robust philosophy and strategy of attracting and retaining the best talent, focus on development and effective retention, and of creating a holistic workplace environment, wherein employees get opportunities to realize their potential, has enabled it in achieving this accolade.

Considering the long term business goals, your Company has ensured that the Human Resources strategy is in line with and complementary to the business strategy. During the financial year, your Company has continued to maintain already high employee engagement scores and has re-kindled its focus on diversity, by taking various steps to make Idea a more women friendly workplace. All these initiatives have resulted in increasing women net additions by more than 5 times compared to last year. Your Company has fostered a culture of continuous learning and development, creating future leaders, building capability in digital space and ensuring continued high employee engagement along with effective and efficient talent development and deployment. The efforts in consistently using training, learning & development as a source of competitive advantage was recognized across industries when your company was awarded Runners Up at the prestigious BML Munjal Awards for "Business Excellence through Learning and Development in Private Sector – Services Category"

Your Company continues to focus on constant process improvement through driving Six Sigma and Lean methodologies, and was able to generate cost reductions by applying crowd sourcing through employees. These HR strategies have continued to have strong alignment with your Company's vision to successfully build and sustain Company's standing as one of India's most admired and valuable corporations despite unrelenting competitive pressures.

During the Financial Year 2017-18, your Company invested Rs. 199.43 Mn towards various CSR activities. Your Company reached out to around 11 lakh people including children across 20 States. Your Company's key objective is to make a difference to the lives of the underprivileged and help bring them to a self-sustaining level. Your Company began a program Vidya Har Beti Ka Adhikar that addresses the need of KHEL, KITAB and KHANA in government schools with a focus on girl schools. Your Company also supplemented the Government of India's initiative to enhance cleanliness across India's rich heritage sites through Swachh Iconic Place, Somnath temple project.

As a socially responsible caring Company, we are committed to play a larger role in India's sustainable development and make a difference, and our projects have been recognized. The Company has received accolades from Gujarat Corporate Social Responsibility Authority, ET2Good4Good-Economic Times and ABG HR Excellence Awards 2017 for Employee Engagement-CSR/ER.

### Risk Management

The Risk Management framework of your Company ensures regular review by management to proactively identify the emerging risks, to do risk evaluation and risk prioritization along with development of risk mitigation plans and action taken to minimize the impact of the risk. The framework requires that the Risk Management Committee be periodically informed about risk minimization procedures adopted

by your Company. These processes are also periodically reviewed by management. The various risks, including the risks related to the economy, regulation, competition, technology etc., are documented, monitored and managed efficiently.

### Internal Control Systems

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The internal controls cover operations, financial reporting, compliance with applicable laws and regulations, safeguarding assets from unauthorised use and ensure compliance of corporate policies. Internal controls are reviewed periodically by the internal auditors, and are subject to management reviews with significant audit observations and follow up actions reported to the Audit Committee. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them in accordance with the changes in the business dynamics, if required.

### Regulatory

Major regulatory developments for the period are:

#### 1. DoT license amendments:

DoT amends the license agreement from time to time. Some key amendments this year, were as under:

- Vide amendment dated 23.06.2017, DoT has inter alia, permitted the licensee to deploy equipment anywhere in India subject to interconnection points being located in respective service areas for inter operator, inter service area, NLD & ILD calls.
- Based on recommendations of Inter-Ministerial Group recommendations & post TRAI & Telecom Commission recommendations & Cabinet approval, the DoT amended the license conditions on 19.03.2018, as under :

Restructure deferred payment liability of TSPs on spectrum – one time opportunity

- Option for increasing current 10 year period to 14, 15 & 16 years (based on year of auction - 2012/2013, 2014 & 2015/16 respectively).
- Proposed increase in installment based on the principle that NPV of "payment due" is protected as enumerated in NIA.

Revision of spectrum caps

- Overall spectrum cap revised from current limit of 25% to 35%.
- Current intra band cap removed. Instead a cap of 50% on combined spectrum holding in sub 1 GHz band (700 MHz, 800 MHz & 900 MHz bands)
- Principles applied in NIA 2016 to be continued while calculating revised overall cap as well as sub 1 GHz band.
- The above changes have been subsequently incorporated in our licenses, vide DoT amendment dated 19<sup>th</sup> March 2018.

- Vide amendment dated 19.06.2018, DoT has amended the CMTS/UAS/Unified License on Internet telephony. DoT has also clarified that the said service is un-tethered from the underlying access network and hence Internet Telephony Services can be provided by an access service provider to the customers using internet services of the other service providers. Hence, Internet Telephony can be offered only under an Access Service license.

The salient features of the amendment are as follows:

- Calls originated outside the country using internet telephony shall be routed through ILD gateway like any other international calls.
- Mobile number series to be used for providing internet telephony. TSPs are allowed to allocate the same number to the subscriber both for CMTS and Internet telephony services.
- The licensee providing internet telephony is required to comply with all the interception and monitoring related requirements.
- Licensee must inform QoS parameters supported by them for internet telephony to their subscribers.

#### 2. TRAI Directions on Non-Discriminatory tariffs

TRAI on 25.05.2017 issued Directions to all Access Service Providers regarding filing of tariff offers.

TRAI vide its said Directions asked all the Access Service Providers "to ensure that all the tariffs offered to the consumers shall be in accordance with the provisions of Telecommunication Tariff Order, 1999 and shall not be discriminatory between the subscribers of the same class and to ensure that every tariff that is offered to a customer is invariably reported to the Authority as per reporting framework under the forbearance regime unless an express exemption has been provided in the Telecommunication Tariff Order, 1999 (as amended from time to time)."

#### 3. TRAI Amendment to IUC Regulation

TRAI vide its Regulation dated 21.09.2017, amended the Domestic IUC Regulations as under:

- For mobile to mobile calls, domestic termination charges have been reduced from 14 paise per minute to 6 paise per minute wef 1<sup>st</sup> October 2017.
- For all other type of calls (wireline to wireline, wireline to mobile and mobile to wireline) domestic termination charges remain unchanged at zero.
- From 1<sup>st</sup> January 2020 onwards the termination charges for all type of domestic calls shall be zero.
- Subsequently, on 12<sup>th</sup> January 2018, TRAI revised the International Termination charges (ITC) from ₹0.53/min to ₹0.30 / min (to be effective from 1<sup>st</sup> February 2018)

The above both amendments on IUC regulation have been challenged by your Company at Bombay High Court.

#### 4. TRAI amendment to QoS Regulations

TRAI vide its amendment dated 18th August, 2017, revised the methodology of assessment of Drop Call Rate (DCR) based on percentile basis instead of existing methodology of average of call drop of all BTSs. The key highlights are:-

- The revised methodology has measures for spatial Distribution (area variations) of DCR and Temporal Distribution (day to day variations) of DCR.
- New parameter for DCR Network\_QSD(90,90), to be known as DCR spatial distribution measure, networks meeting benchmark of 2% will, give confidence that at-least 90% of cells in the network performed better than specified 2% benchmark on atleast 90% of days. Financial disincentive from ₹1-5 lacs on degradation of parameter.
- New parameter for DCR Network\_QTD(97,90), known as DCR temporal distribution measure, networks meeting benchmark of 3% will, give confidence than at-least 90% of Days, network performed better than specified 3% benchmark on at least 97% of the calls. Financial disincentive from ₹1-5 lacs on degradation of parameter.
- DCR benchmark assessment to be done for all technologies GSM, CDMA, WCDMA, LTE etc. as a whole.
- Network QoS parameters and benchmarks for VoLTE services have been defined on the similar lines as of Circuit Switch Voice services.

#### 5. TRAI Regulation on Interconnection

TRAI released the new Interconnect Regulation on 1<sup>st</sup> January, 2018 to come into effect from 1<sup>st</sup> February, 2018. The regulation laid down the rules on issues such as the timeline for entering into an interconnection agreement, type and quantum of bank guarantee required, maximum time allowed for issuance of ports, etc. The key features are as under:

- The Interconnection Agreement needs to be entered into within 30 days of receipt of request from a service provider.
- The maximum time period prescribed from the date of receipt of the request till the date of AT and issuance of final letter of commissioning of ports is 21 working days.
- If any service provider contravenes the provisions of these regulations, it will be liable to pay an amount, by way of financial disincentive not exceeding rupees one lakh per day per licensed service area.

#### 6. TRAI Amendment to IUC Regulation – International Termination Charge

TRAI vide its Regulation dated 12<sup>th</sup> January, 2018, amended the Telecommunications IUC Regulations, 2003 to bring down the International Termination Charges (ITC) to ₹ 0.30/min from ₹ 0.53/min with effect from 1<sup>st</sup> February, 2018.

#### 7. TRAI amendment on Mobile Number Portability Regulation

TRAI vide its amendment dated 31<sup>st</sup> January, 2018 reduced the Per port transaction charges for Mobile Number Portability, from ₹ 19/- to ₹ 4/- for each successful porting. The same was based on reasons such as (i) Upsurge in number of porting requests; and (ii) Financial results of MNP service providers

#### 8. TRAI amendment to Telecom Tariff Order

TRAI vide its 63<sup>rd</sup> amendment to TTO, dated 31<sup>st</sup> January, 2018, introduced the following changes:

- Modified the definition of Significant Market Power (SMP) – only 30% of total activity (revenue or subscriber share) to be SMP indicator & removed erstwhile additional indicators like turnover, switching capacity & volume of traffic.
- Revised the definition of “non-discriminatory” by stating that any classification of subscribers should be based on intelligent criteria, where classification has nexus with purpose of classification.
- Re-defined predatory pricing as provision of distinct telecom service in relevant market at a price which is below average variable cost, with a view to reduce or eliminate competition.
- Revision in definition of reporting requirement – removed IUC compliance as cardinal principle for tariffs, included promotional tariffs in reporting requirements.
- Enunciated guiding principles for transparency– accessible, accurate, comparable, complete, distinct, & identifiable, explicit & non-misleading, simple & unambiguous.
- Introduction of snap audits for Metering & Billing done by TSPs.

Considering the likely impact on acquisition/retention of subscribers & our existing segmented offerings, your Company challenged the above tariff amendment.

#### 9. TRAI Amendment on Interconnection Regulation

TRAI issued the amendment to the Interconnect Regulation on 05.07.2018. Through this amendment, the key changes introduced were as under:

- The time frame for provisioning of ports for initial interconnection and augmentation of ports is increased to 42 working days.
- Every service provider shall provide to the interconnecting service provider, at interval of every six months, its forecast of busy hour outgoing traffic, for the succeeding six months, at each POI and the first such forecast shall be provided within sixty days of the commencement of the Telecommunication Interconnection (Amendment) Regulations, 2018 and thereafter on the 1<sup>st</sup> April and 1<sup>st</sup> October every year.

### Opportunities, Risks, Concerns and Threats

Financial Year 2017-18 can be best defined as period of tariff disruption and consolidation for Indian wireless industry. The Indian mobile industry has rapidly consolidated among few large and well capitalized operators, who have been making significant investments towards expanding broadband network across the country, laying a robust foundation for the government's "Digital India" program.

The massive network rollout of high speed broadband services by large operators, like Idea this year, coupled with falling entry prices for smartphone as well mobile data rates, has led to multifold increase in broadband data demand within a very short span of time. Despite the steep rise in demand for data, broadband penetration in India continues to be low at 32.4%, well below the global average. As users have started to explore range of content consumption options, through both video and audio apps, the demand for high speed internet is expected to further rise. Further, given that the fixed line penetration continues to remain negligible at 1.9% in India, internet adoption through wireless remains the obvious option for the subscriber to experience internet services. India is thus on the cusp of a major wireless broadband adoption cycle across all demographic segments of population. Your company is fully equipped to reap benefits out of these changing trends as it has pan India broadband spectrum and has been aggressively expanding its broadband network across the length and breadth of country. Further, the rural penetration is still at a relative low level of 58.7%, indicating nearly 300-400 million Indians, primarily in the rural hinterland, are yet to adopt mobile telephony services. Your company with its strong GSM and broadband network footprint across the length and breadth of the country is well poised to be a beneficiary of this trend as well.

The introduction of heavily discounted unlimited bundled plans has impacted the industry revenue growth negatively despite massive explosion in volumes. The financials of the industry are heavily stressed as most of the telecom operators are highly leveraged due to high commitment in spectrum auctions and extensive network roll out in past 2-3 years. Further, the continuing need for large capital investments to remain competitive in the market, has expedited the process of industry consolidation. The stronger operators in long run are expected to see a return of growth in revenue and hence an uplift in profitability.

Your Company has several ongoing litigations and any adverse determination of these remains a risk. Your Company believes in sound corporate governance practices and believes that these litigations would be settled in due course in the best interest of all stakeholders. Your Company works with various local, state and central government agencies

for specific permissions to operate its mobile licenses and is required to meet various regulatory/ policy guidelines of the DoT and may be subjected to various regulatory demands, penalties/fines or increased cost of compliance. Your Company makes best effort to adhere to all such requirements.

The telecom sector is characterized by technological changes and competition from new technologies is an inherent threat. However, your Company, with a portfolio of spectrum in 900/1800/2100/2300/2500 MHz has an attractive spectrum footprint to adapt to any future technological changes.

The Company's business is dependent on key Network and IT equipment suppliers for management and continuity of its Network, IT and business processes. Further, these networks may be vulnerable to technical failures or any natural calamity. Your Company is in partnership with global leaders in Network equipment and IT services and enjoys very long standing healthy relations with all its suppliers. The Company has a robust network & IT security processes and disaster recovery plans.

### Outlook

After the announcement of merger between the Company and Vodafone India operations on 20<sup>th</sup> March 2017, your company has made significant progress towards completion of merger during the year 2017-18. Your company has successfully received approvals from Competition Commission of India (CCI), the stock exchanges as well as from the National Company Law Tribunal (NCLT), bench of Ahmedabad and Mumbai. The Merger of the company with Vodafone India is now in the final leg of regulatory approvals and is expected to complete soon.

The proposed new leadership team of merged entity has already been announced on 22<sup>nd</sup> March 2018. Both the companies, have set up respective project management teams, preparing for the merger and have initiated detailed planning for identified capex and opex synergies. Post-merger, the combined entity will have deepest 2G network presence covering an expanse of over 1.1 billion Indians around 490,000 towns and villages. The merged entity would also have one of the highest overall spectrum holding of 1,850 MHz across multiple spectrum bands.

Following the industry consolidation this year, hyper competition is expected to reduce once the market settles and industry profitability is poised to gradually improve. The low rural penetration and increasing broadband expansion provide tremendous long term opportunities for the surviving operators. The country is thus well poised to add another 400 to 500 million wireless broadband users in next 3-4 years with increasing smartphone penetration as device affordability further improves. With strong subscriber base, superior network footprint and massive ongoing infrastructure investments, your company is best positioned to be the biggest beneficiary of this growth post-merger.

### Cautionary Statement

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



## Corporate Governance Report

### Company's Philosophy on Corporate Governance

Corporate Governance refers to mechanisms, processes and relations by which corporations are controlled and directed. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. Corporate Governance essentially involves balancing the interests of a company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.

Our governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process.

Our governance philosophy rests on five basic tenets:

- Board accountability to the Company and shareholders;
- Strategic guidance and effective monitoring by the Board;
- Protection of minority interests and rights;
- Equitable treatment of all shareholders; and
- Superior transparency and timely disclosure.

In line with this philosophy, Idea Cellular Limited, continuously strives for excellence through adoption of best governance and disclosure practices. Corporate Governance has always been intrinsic to the management of the business and affairs of our Company. Corporate Governance in Idea is a reflection of principles entrenched in our values and policies, leading to value driven growth. At Idea ensuring fairness, transparency and accountability across all business processes is of utmost importance. We believe that good governance practices stem from the culture and mindset of the organisation. While making business decisions our objective is to meet stakeholders' interest and societal expectations. We at Idea are committed in fostering and sustaining a culture that integrates all components of good governance and demonstrates highest standard of ethical and responsible business conduct. Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended March 31, 2018 is as set out hereunder:

#### 1. BOARD OF DIRECTORS

An active, informed and independent Board is a pre-requisite for strong and effective Corporate Governance. The Board plays a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board ensures that the Company has clear goals aligned to the shareholders' value and growth. The Board critically evaluates strategic direction of the Company and exercises

appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The Board is duly supported by the Managing Director and Senior Management Personnel in ensuring effective functioning of the Company.

### Composition of the Board

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of technology, banking, telecommunication, general management and entrepreneurship. As on March 31, 2018, the Board comprises of ten members consisting of a Non-Executive Chairman, a Managing Director, a Whole Time Director, five Independent Directors and two Non-Executive Directors. There is one Independent women Director on the Board of the Company. The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company. The positions of Chairman and Managing Director are held by different individuals where the Chairman of the Board is a Non-Executive Director.

The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.

None of the Director is a Director on the Board of more than ten Public Limited Companies or acts as an Independent Director in more than seven Listed Companies. Further, none of the Director is a Member of more than ten Committees or Chairman of more than five Committees, across all the Companies in which he/she is a Director. Except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are related to each other as son and mother, no other Directors are related to each other. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under the provisions of the Companies Act, 2013 and the terms and conditions of their appointment has been uploaded on the website of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149 (6) of the Companies Act, 2013 and they are qualified to act as Independent Directors.

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2018 are as under:



Name of Director	Category	No. of Outside Directorship(s) Held <sup>1</sup>		Outside Committee Positions Held <sup>2</sup>	
		Public	Member	Chairman/ Chairperson	
Mr. Kumar Mangalam Birla	Non-Executive	8	-	-	
Mrs. Rajashree Birla	Non-Executive	6	-	-	
Dr. Shridhir Sariputta Hansa Wijayasuriya <sup>3</sup>	Non-Executive	-	-	-	
Mr. Sanjeev Aga	Non-Executive	6	2	2	
Mr. Arun Thiagarajan	Independent	5	2	4	
Mr. Mohan Gyani	Independent	-	-	-	
Ms. Tarjani Vakil	Independent	5	1	3	
Mr. P. Murari	Independent	5	2	2	
Mrs. Alka M. Bharucha <sup>4</sup>	Independent	6	3	2	
Mr. Himanshu Kapania	Managing Director	6	-	-	
Mr. Akshaya Moondra	Whole Time Director & Chief Financial Officer	5	4	-	
Mr. Baldev Raj Gupta <sup>5</sup>	Independent	6	4	2	
Ms. Madhabi Buch Puri <sup>6</sup>	Independent	NA	NA	NA	

- Directorships held by the Directors as mentioned above, excludes directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.*
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.*
- Dr. Shridhir Sariputta Hansa Wijayasuriya resigned as a Director with effect from March 30, 2018.*
- Mrs. Alka M. Bharucha resigned with effect from March 31, 2018.*
- Mr. Baldev Raj Gupta was appointed with effect from May 13, 2017.*
- Ms. Madhabi Buch Puri resigned with effect from April 03, 2017.*

### Board Meetings and Procedure

The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened to address the specific needs of the Company. In case of urgent business exigencies some resolutions are also passed by circulation, as permitted by law, which is confirmed in the subsequent Board Meeting. Time gap between two consecutive meetings does not exceed 120 days. Video Conferencing facility are also made available to enable participation of Directors, in case they are unable to attend the meeting physically. The Company Secretary in consultation with the Chairman and the Managing Director prepares the detailed agenda for the meetings. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the

agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman. The Senior Management Personnel are invited to the Board/Committee Meetings to apprise and update the members on the items being discussed at the meeting. All the relevant information as enumerated in Part A of Schedule II of the Listing Regulations is placed before the Board and the Board in particular reviews and approves corporate strategies, business plan, annual budget, capital expenditure etc. The Board periodically reviews the compliance status of all the applicable laws and is regularly updated on various legal and regulatory developments involving the Company. Action Taken Report in respect of the decisions arising out of the previous meetings is placed at the succeeding meeting of the Board/Committee. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder.

The draft minutes of each Board/Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, received if any, from the Directors, records the minutes of each Board/Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board/Committee meetings are communicated to the concerned departments promptly. A copy of the signed Minutes certified by the Company Secretary are circulated to all Directors within fifteen days after those are signed.

During the Financial Year 2017-18, the Board met seven times i.e. on April 28, 2017, May 13, 2017, July 27, 2017, November 13, 2017, January 04, 2018, January 24, 2018 and February 14, 2018. The intervening gap between two Board Meetings did not exceed 120 days. The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Director	No. of Board Meetings held during the tenure		Attended Last AGM <sup>1</sup> (Yes/No)
	Held	Attended	
Mr. Kumar Mangalam Birla	7	6	No
Mrs. Rajashree Birla	7	2	No
Dr. Shridhir Sariputta Hansa Wijayasuriya <sup>2</sup>	7	6	No
Mr. Sanjeev Aga	7	7	No
Mr. Arun Thiagarajan	7	5	No
Mr. Mohan Gyani	7	2	No
Ms. Tarjani Vakil	7	6	No
Mr. P. Murari	7	3	No
Mrs. Alka M. Bharucha <sup>3</sup>	7	6	No
Mr. Himanshu Kapania	7	7	Yes
Mr. Akshaya Moondra	7	7	Yes
Mr. Baldev Raj Gupta <sup>4</sup>	5	5	Yes

1. AGM held on 30th June, 2017 at Cambay Sapphire (formerly Cambay Spa and Resort), Plot No. X-22-24, Near GIDC, Opposite Hillwoods School, Sector 25, Gandhinagar-382 044, Gujarat.
2. Dr. Shridhir Sariputta Hansa Wijayasuriya resigned with effect from March 30, 2018.
3. Mrs. Alka M. Bharucha resigned with effect from March 31, 2018.
4. Mr. Baldev Raj Gupta was appointed with effect from May 13, 2017.

#### Induction and Familiarization program for Board Members

A formal letter of appointment together with the Induction kit is provided to the Independent Directors, at the time of

their appointment, setting out their role, functions, duties and responsibilities. The Directors are familiarized with your Company's business and operations and interactions are held between the Directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board / Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

The details of familiarization programs are posted on the website of the Company viz. [www.ideacellular.com](http://www.ideacellular.com).

#### Meeting of Independent Directors

The Independent Directors met informally without the presence of Non-Independent Directors and the management, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the board as a whole. Inputs and suggestions received from the Directors were considered at the Board Meeting and are being implemented.

#### Performance Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, amongst others, providing strategic perspective, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees etc. The Directors expressed their satisfaction with the evaluation process.

#### Code of Conduct for Board Members and Senior Management:

The Board of Directors have laid down the Code of Conduct for all the Board Members (incorporating, inter-alia, duties of Independent Directors) and Senior Management Personnel of the Company, which is also uploaded on the website of the Company [www.ideacellular.com](http://www.ideacellular.com). The Code is derived from three inter-linked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. Code of conduct provides guidance and support for ethical conduct of the business.

#### Declaration affirming compliance of Code of Conduct

The Company has received confirmations from all the Board of Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration signed by the Managing Director affirming the compliance with the Code of Conduct by the Board Members and Senior Management Personnel of the Company for the Financial Year ended March 31, 2018 is attached and forms part of this Report.

### 5. Committees of the Board

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees comprising of Executive and Non-Executive / Independent Directors. Board Committee's ensures focused discussion and expedient resolution of diverse matters.

Following Committee(s) are constituted for better and focused attention on various affairs of the Company:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Finance Committee
- (e) Securities Allotment Committee
- (f) Corporate Social Responsibility Committee
- (g) Risk Management Committee
- (h) Capital Raising Committee

All the Committees have formally established terms of references / Charter. The Minutes of the Committee Meetings are noted by the Board.

The role and composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

#### A. Audit Committee

The Company has an Audit Committee at the Board level with power and role that are in accordance with the Listing Regulations and the Companies Act, 2013. The Audit Committee oversees the accounting, auditing and overall financial reporting process of the Company. The Audit Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

#### Powers of Audit Committee

The powers of Audit Committee include the following:

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;

- iii. To obtain outside legal or other professional advice;
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary;
- v. To call for a separate meeting with statutory and internal auditors with or without the Management team;
- vi. To call for a separate meeting with the MD/CEO and as appropriate, other members of the management team to get an independent feedback and also to give feedback received from the auditors;
- vii. Appoint any external firm to conduct special reviews of the Company (financial or legal) subject to the approval of the Board;
- viii. Perform other activities related to the Charter as requested by the Board of Directors; and
- ix. Carry out additional functions as contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

#### Terms of reference

The broad terms of reference of Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by statutory auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow-up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. To review:
  - a. Management Discussion and Analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

In addition to reviewing financial results on quarterly basis, Audit Committee Meetings are also convened for reviewing Internal Audit reports pertaining to various functions and also for reviewing the implementation of Internal Financial Control framework. The Company has appropriate internal control systems for business processes, covering operations, financial reporting and compliance with applicable laws and regulations. Regular internal audits and management reviews ensure that the responsibilities are executed effectively. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them, as appropriate.

The Committee also oversees the performance of the internal and statutory auditors and also recommends their appointment and remuneration to the Board. Information as detailed in Part C of Schedule II of the Listing Regulations, is mandatorily being reviewed by the Audit Committee. The minutes of the Audit Committee Meetings forms part of the Board Agenda. The Chairman of the Audit Committee Meeting briefs the Board on the discussions held during Audit Committee Meeting.

#### Composition, Meetings and Attendance

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on March 31, 2018, the Audit Committee comprises of four members, of which three members, including the Chairman, are Independent Directors and one Member is a Non-Executive Director. All the members of the Audit Committee possess accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Managing Director and the Whole Time Director & Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meetings. Representatives of the Statutory Auditors and Internal Auditors of the Company are also invited to the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Committee Meetings to present reports on the respective functions that are discussed at the meetings from time to time. The Cost Auditors attend the meeting when Cost Audit Report is discussed. The Company Secretary is the Secretary of the Audit Committee.

During the Financial Year 2017-18, seven meetings of the Audit Committee were held on May 12, 2017, June 8, 2017, July 26, 2017, November 12, 2017, January 04, 2018, January 24, 2018 and March 19, 2018. The intervening gap between two Meetings did not exceed 120 days. The composition of the Audit Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Arun Thiagarajan (Chairman)	Independent	7	6
Ms. Tarjani Vakil	Independent	7	7
Dr. Shridhir Sariputta Hansa Wijayasuriya <sup>1</sup>	Non-Executive	7	0
Mrs. Alka M. Bharucha <sup>2</sup>	Independent	7	6

1. Dr. Shridhir Sariputta Hansa Wijayasuriya resigned with effect from March 30, 2018

2. Mrs. Alka M. Bharucha resigned with effect from March 31, 2018

All the recommendations made by the Audit Committee were accepted by the Board.

#### B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who are qualified to become Directors and persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees. The Committee also monitors and administers the Company's Employee Stock Option Scheme(s). The Nomination & Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the Listing Regulations.

#### Terms of reference

The broad terms of reference of Nomination and Remuneration Committee includes the following:

- set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run your Company successfully;
- set the relationship of remuneration to performance;
- check whether the remuneration provided to Directors and Senior Management includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of your Company and its goals;
- formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in Senior Management and recommend the same to the Board;
- review and implement succession and development plans for Managing Director, Executive Directors and Senior Management;
- devise a policy on Board diversity;

- formulate the criteria for determining qualifications, positive attributes and independence of Directors; and
- to supervise and monitor the process of issuance/ grant/ vesting/ cancellation of ESOPs and such other instruments as may be decided to be granted to the employees of the Company/ Subsidiary Company, from time to time, as per the provisions of the applicable laws, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

#### Composition, Meetings and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2018, Committee comprises of three Non-Executive Directors, two of them are Independent Directors including the Chairperson. The Company Secretary acts as a secretary to the Committee.

During the Financial Year 2017-18, four meetings of the Nomination and Remuneration Committee were held on May 13, 2017, July 27, 2017, November 13, 2017, and January 24, 2018.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2017-18 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Ms. Tarjani Vakil (Chairperson)	Independent	4	4
Mr. Arun Thiagarajan	Independent	4	3
Mr. Kumar Mangalam Birla	Non-Executive	4	4

#### Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements. The remuneration policy has been disclosed in the Annual Report.

#### Remuneration of Directors

##### (i) Remuneration to the Executive Directors

The remuneration package of the Executive Directors is determined by the Nomination and Remuneration Committee in accordance with the Remuneration policy of your Company. The recommendations of the Committee are considered and approved by the Board, subject to the approval of the members of the Company. The remuneration package of the Managing Director and Whole Time Director comprises of a fixed salary component and a performance linked bonus. A fair portion of the remuneration of the Executive Directors are linked to the Company's performance, thereby creating a strong alignment of interest with shareholders.



I. Details of the Managerial Remuneration paid to the Executive Directors during Financial Year 2017-18 is as under:

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid during 2017-18			
			All elements of remuneration package i.e. salary, allowances and other benefits etc.	Fixed component & performance linked incentives along with performance criteria	Service Contract, notice period, severance fees	Stock Option details, if any
Mr. Himanshu Kapania	None	Managing Director	₹ 89.91 Mn See Note (a)	₹ 27.85 Mn See Note (b)	See Note (d)	See Table II below
Mr. Akshaya Moondra	None	Whole Time Director and Chief Financial Officer	₹ 20.40 Mn	₹ 6.33 Mn See Note (c)	See Note (d)	See Table II below

- (a) The amount includes perquisite value of ₹ 34.54 Mn, towards stock options exercised by Mr. Himanshu Kapania during Financial Year 2017-18.
- (b) Mr. Himanshu Kapania was paid a sum of ₹ 27.85 Mn towards performance incentive, linked to achievement of targets over and above ₹ 89.91 Mn paid as remuneration. The Performance Linked Incentive (PLI) is disclosed on actual pay-out basis.
- (c) Mr. Akshaya Moondra was paid a sum of ₹ 6.33 Mn towards performance incentive, linked to achievement of targets over and above ₹ 20.40 Mn paid as remuneration. The Performance Linked Incentive (PLI) is disclosed on actual pay-out basis.
- (d) The tenure of Managing Director and Whole Time Director is for 5 years from their respective dates of appointment and can be terminated by three months notice on either side. No severance fees is payable to the Managing Director or Whole Time Director.

II. Details of Stock Options (Options) and Restricted Stock Units (RSU) granted/exercised to/by the Executive Directors:

Executive Director	ESOS -2006			ESOS-2013		
	No. of Options Granted	Exercise price (in ₹)	Options Exercised	No. of Options / RSU granted	Exercise Price (in ₹)	Options/ RSU Exercised
Mr. Himanshu Kapania	267,500 options (Tranche I)	39.30	2,67,500	1,893,740 options and 533,333 RSU's (Tranche I)	126.45 10/-	80,000 533,333
	66,875 options (Tranche II)	45.55	66,875	1,57,812 Options and 44,444 RSU's (Tranche IV)	110.45 10/-	-
Mr. Akshaya Moondra	1,07,000 options (Tranche II)	45.55	1,07,000	297,885 options and 146,944 RSU's (Tranche I)	126.45 10/-	NIL 146,944
	53,500 options (Tranche III)	57.55	53,500			

- (a) In terms of your Company's Employee Stock Option Scheme, 2006 (ESOS-2006), each Option is convertible into one equity share of the Company upon vesting. These Options vest in 4 equal annual instalments after one year of the grant and are exercisable within a period of 5 years from the date of vesting.
- (b) In terms of Employee Stock Option Scheme, 2013 (ESOS-2013), each Option and each Restricted Stock Units (RSU) when exercised is convertible into one equity share of the Company. The Options would vest in 4 equal annual instalments after one year of the grant and the RSUs have bullet vesting at the end of 3 years from the date of grant. The Options and RSUs shall be exercisable within a period of 5 years from the date of vesting.

(ii) Remuneration to Non-Executive/ Non-Executive Independent Directors

Non-Executive Directors are paid remuneration by way of sitting fees for the meetings attended by them and Commission which is well within the limits prescribed under Companies Act, 2013

('the Act'). The Commission/Remuneration payable to Non-Executive Directors is decided by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee, subject to the overall approval by the members of the Company. In view of Net loss incurred by the Company for

Financial Year ended March 31, 2018, no Commission has been approved by the Board for Financial Year 2017-18.

The sitting fees payable to the Directors is ₹ 50,000/- for each meeting of the Board, ₹ 25,000/- for each meeting of the Audit Committee and ₹ 20,000/- for each other Committee Meetings.

The Non-Executive Directors are also entitled to reimbursement of expenses incurred in performance of the duties as Directors and Members of the Committees.

The details of the sitting fees paid to Non-Executive Directors for the Financial Year ended March 31, 2018 are as under:

Name of Non-Executive Director	Sitting Fees paid for FY 2017-18 (₹)
Mr. Kumar Mangalam Birla	3,80,000
Mrs. Rajashree Birla	1,60,000
Dr. Shridhir Sariputta Hansa Wijayasuriya <sup>1</sup>	3,00,000
Mr. Arun Thiagarajan	5,40,000
Mr. Mohan Gyani	1,00,000
Ms. Tarjani Vakil	8,15,000
Mr. P. Murari	1,50,000
Mrs. Alka M. Bharucha <sup>2</sup>	5,30,000
Mr. Sanjeev Aga	5,10,000
Mr. Baldev Raj Gupta <sup>3</sup>	2,50,000
<b>Total</b>	<b>37,35,000</b>

1. Dr. Shridhir Sariputta Hansa Wijayasuriya resigned with effect from March 30, 2018
2. Mrs. Alka M. Bharucha resigned with effect from March 31, 2018
3. Mr. Baldev Raj Gupta was appointed with effect from May 13, 2017

### (iii) Details of Shareholding of Directors

The details of shareholding of Directors as on March 31, 2018 are as under:

Name of Director	No. of Equity Shares <sup>#</sup>
Mr. Kumar Mangalam Birla	2,33,333
Mr. Arun Thiagarajan	7,700
Ms. Tarjani Vakil	147
Mr. Sanjeev Aga	2,50,000
Mr. Himanshu Kapania	8,42,708
Mr. Akshaya Moondra	2,77,444

<sup>#</sup> Shares held singly or as a first shareholder are only considered.

During the year under review, the Company has paid ₹ 55.27 Mn as professional fees to M/s. Bharucha & Partners, a firm in which the Company's Director Mrs. Alka M. Bharucha is a partner. There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

### C. Stakeholders Relationship Committee

Stakeholders' Relationship Committee ensures quick redressal of the complaints of the stakeholders and oversees the process of share transfer. The Committee also monitors redressal of Shareholders'/Investors' complaints/ grievances viz. non-receipt of annual report, dividend payment, issue of duplicate share certificates, transmission of shares and other related complaints. In addition, the Committee also monitors other issues including status of Dematerialisation/ Rematerialisation of shares issued by the Company.

#### Composition, Meetings and Attendance

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations. As on March 31, 2018, the Committee comprises of three members namely, Ms. Tarjani Vakil (Chairperson), Mr. Sanjeev Aga and Mr. Himanshu Kapania. The Company Secretary acts as a Secretary to the Committee. During the Financial Year 2017-18, the Stakeholders' Relationship Committee met once on March 23, 2018 and the said meeting was attended by all the members.

#### Compliance Officer

Mr. Pankaj Kapdeo, Company Secretary, acts as the Compliance Officer of the Company. The Compliance Officer briefs the Committee on the grievances/queries of the investors and the steps taken by the Company for redressing their grievances. He is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations. The Compliance Officer can be contacted at:

#### Idea Cellular Limited

Birla Centurion, 10th Floor,  
Century Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 030

Tel: +91-9594003434

Fax: +91-22-26527080

Email: shs@idea.adityabirla.com

#### Investor Grievances Redressal Status

During the Financial Year 2017-18, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to non-receipt of Dividend, non-receipt of annual reports, request for subsidiary annual accounts etc. All the complaints were resolved to the satisfaction of the investors.

**The status of Investors' Complaints as on March 31, 2018, is as follows:**

No. of complaints as on April 1, 2017	0
No. of complaints received during the Financial Year 2017-18	95
No. of complaints resolved upto March 31, 2018	95
No. of complaints pending as on March 31, 2018	0

To redress investor grievances, the Company has a dedicated E-mail ID shs@idea.adityabirla.com to which investors may send complaints.

#### D. Finance Committee

The Company has constituted a Finance Committee to approve matters relating to availing of financial / banking facilities and other treasury and banking related matters. Finance Committee looks into matters pertaining to borrowings, working capital management, foreign currency contracts, besides other powers granted to it by the Board.

##### Composition, Meetings and Attendance

As on March 31, 2018, the Committee comprises of three members namely, Ms. Tarjani Vakil, Mr. Sanjeev Aga and Mr. Himanshu Kapania. The Company Secretary acts as the Secretary to the Committee. During the Financial Year 2017-18, six meetings of the Finance Committee were held on April 21, 2017, June 28, 2017, July 27, 2017, November 13, 2017, March 23, 2018 and March 29, 2018.

The composition of the Finance Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sanjeev Aga	Non-Executive	6	5
Ms. Tarjani Vakil	Independent	6	6
Mr. Himanshu Kapania	Managing Director	6	5

#### E. Securities Allotment Committee

The Securities Allotment Committee is empowered to make allotment of all kinds of securities that may be issued by the Company, from time to time. The Committee comprises of three members including one Independent Director. As on March 31, 2018 the Committee comprises of Mr. Himanshu Kapania, Mr. Sanjeev Aga and Ms. Tarjani Vakil. The Company Secretary acts as a Secretary to the Committee. During the Financial Year 17-18, two meetings of the Securities Allotment Committee were held on February 2, 2018 and February 12, 2018, primarily for preferential issue of Equity shares by the Company.

The composition of the Securities Allotment Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Sanjeev Aga	Non-Executive	2	2
Ms. Tarjani Vakil	Independent	2	2
Mr. Himanshu Kapania	Managing Director	2	1

#### F. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto. The CSR Committee evaluates and recommends to the Board the CSR activities to be undertaken during the year and amount to be spent on CSR activities. The CSR Committee monitors the CSR policy from time to time.

As on March 31, 2018, the Committee comprises of three members, including one Independent Director. Mrs. Rajashree Birla, Non-Executive Director is the Chairperson of the Committee, Mr. P. Murari and Mr. Himanshu Kapania are other members of the Committee. Dr. Pragnya Ram, Aditya Birla Group Executive President, Corporate Communications & CSR is the permanent invitee to all the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. During the Financial Year 2017-18, three meetings of the Committee were held on May 12, 2017, July 25, 2017 and January 4, 2018.

The composition of the CSR Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mrs. Rajashree Birla (Chairperson)	Non-Executive	3	3
Mr. P. Murari	Independent	3	-
Mr. Himanshu Kapania	Managing Director	3	3

During the year under review, your Company has undertaken various CSR activities details whereof are provided in the Directors' Report. The focus areas for Company's CSR activities were health care, education, sustainable livelihood, infrastructure development and social change. The CSR Report for the Financial Year ended March 31, 2018 is attached as 'Annexure B' to the Board's Report. Corporate Social Responsibility Policy of the Company is available on the Company's website [www.ideacellular.com](http://www.ideacellular.com).

#### G. Risk Management Committee

In compliance with the requirements of Regulation 21 of the Listing Regulations, the Board has duly constituted the Risk Management Committee. The Committee's prime responsibility is to frame, implement and monitor the Enterprise Risk Management framework for the Company. The Committee reviews and monitors the risk management plan and ensures its effectiveness. As on March 31, 2018 the Committee comprises

of Mr. Arun Thiagarajan, Ms. Tarjani Vakil and Mr. Himanshu Kapania as its members. Mr. Akshaya Moondra, Whole Time Director and Chief Financial Officer is the permanent invitee to all the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2017-18, the Risk Management Committee met once on March 19, 2018 and the said meeting was attended by all the members.

#### H. Capital Raising Committee

During the year under review, the Company constituted a Capital Raising Committee for evaluating various fund raising opportunities / options.

##### Composition, Meetings and Attendance

The Committee comprised of three members namely, Ms. Tarjani Vakil, Mr. Arun Thiagarajan and Mr. Himanshu Kapania. The Company Secretary acts as the Secretary to the Committee. During the Financial Year 2017-18, five meetings of the Capital Raising Committee were held on January 24, 2018, two meetings on February 14, 2018, February 21, 2018, and February 23, 2018.

The composition of the Capital Raising Committee and the attendance of the members at the meetings held during the year are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Arun Thiagarajan	Independent	5	4
Ms. Tarjani Vakil	Independent	5	3
Mr. Himanshu Kapania	Managing Director	5	5
Mrs. Alka M. Bharucha*	Independent	5	4

\*Mrs. Alka M. Bharucha resigned with effect from March 31, 2018.

### 3. SUBSIDIARY COMPANIES

The subsidiary companies are managed by their individual Board of Directors. Minutes of the Board Meetings of unlisted subsidiary companies are placed before the Board for noting. None of the subsidiary companies are material Indian non-listed subsidiary in terms of Regulation 16(c) of the Listing Regulations. The policy for determining material subsidiary is available on the Company's website [www.ideacellular.com](http://www.ideacellular.com).

Financial statements, in particular the investments made by the unlisted subsidiaries, statement containing all significant transactions and arrangements entered into by the unlisted subsidiaries forming part of the financials are being reviewed by the Audit Committee. Also, statements of all significant

transactions and arrangements entered into by the unlisted subsidiary companies are periodically brought to the attention of the Board by the Management.

### 4. DISCLOSURES

#### a. Related Party Transactions

All contracts/arrangements/transactions entered by the Company during the financial year with the related parties as detailed in Note no. 58 of the Standalone Financial Statements were in ordinary course of business and at an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Member's approval for material Related Party Transaction, as defined under the Listing Regulations, shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions, are tabled before the Audit Committee and the Board of Directors on quarterly basis. Company has implemented a Related Party Transaction manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Ind AS 24. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website [www.ideacellular.com](http://www.ideacellular.com).

#### b. Disclosure of Accounting Treatment

In the preparation of standalone and consolidated financial statements, your Company has followed all the applicable Indian Accounting Standards and the generally accepted accounting principles in India.

#### c. Details of non-compliance with regard to the Capital Markets

There has been no instances of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

#### d. Proceeds from public issues, rights issues, preferential issues etc.

During the year under review, your Company raised ₹ 3,500 crore under a Qualified Institutions Placement (QIP Issue) as per Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, the Company also

raised ₹ 3,250 crore on a preferential basis under Chapter VII of SEBI (ICDR) Regulations, 2009, to Promoter and Promoter Group entities.

**e. Insider Trading**

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**f. Whistle Blower Policy**

Your Company has established a Vigil Mechanism/Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behaviour, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee.

**g. Compliance with the Mandatory Corporate Governance Requirements as prescribed under the SEBI (LODR) Regulations, 2015**

The Board of Directors periodically review the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, the Company's Statutory Auditors and the same is appended as an Annexure to this Report.

**h. Details of Compliances with the Non-mandatory Corporate Governance as prescribed under the SEBI (LODR) Regulations, 2015**

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as

prescribed in Regulation 27 of the Listing Regulations:

- Position of the Chairman and the Managing Director are held by separate individuals.
- Your Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance is made available to enable him to discharge his responsibilities effectively.
- The statutory financial statements of your Company are unqualified.
- The quarterly results along with the press release, as approved by the Board are first submitted to the stock exchanges. The same are then uploaded on the website of the Company [www.ideacellular.com](http://www.ideacellular.com) / investor-relations/ results. On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors/ analysts. These calls are webcast live and transcripts thereof are posted on the website.

**5. MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed report on Management Discussion and Analysis forms part of the Directors' Report.

**6. SHAREHOLDERS' INFORMATION**

**i) Disclosure regarding appointment or re-appointment of Directors**

Brief profile of the Directors seeking appointment or re-appointment is annexed to the Notice convening the 23rd Annual General Meeting forming part of this Annual Report.

**ii) Communication to Shareholders**

The Company's quarterly financial results, presentation made to Institutional Investors/Analysts, quarterly reports, official news releases and other general information about the Company are uploaded on the Company's website ([www.ideacellular.com](http://www.ideacellular.com)).

Quarterly financial results, presentation made to Analysts, Quarterly reports, official news releases and official media releases are also sent to the Stock Exchanges. The quarterly financial results are generally published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Gujarat where the Registered Office of the Company is situated.

The quarterly financial results during the Financial Year 2017-18 were published in The Business Standard (all editions) and Western Times (a regional daily published in Gujarat).

At the end of each quarter, the Company organizes earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website of the Company.



## iii) General Body Meetings:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	Particulars of Special Resolution(s)
2016-17	June 30, 2017	4.00 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar –382 044, Gujarat.	<ol style="list-style-type: none"> <li>1. Issue of Non- Convertible Securities on private placement basis.</li> <li>2. Waiver of Recovery of Excess Managerial Remuneration paid to Mr. Himanshu Kapania, Managing Director for the period April 1, 2016 to March 31, 2017.</li> <li>3. Payment of Remuneration to Mr. Himanshu Kapania, Managing Director of the Company for the period April 1, 2017 to March 31, 2019.</li> <li>4. Payment of Remuneration to Mr. Akshaya Moondra, Whole-Time Director and Chief Financial Officer for the period from July 8, 2016 to March 31, 2019.</li> <li>5. Alteration of Articles of Association of the Company.</li> </ol>
2015-16	September 29, 2016	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar – 382 044, Gujarat.	<ol style="list-style-type: none"> <li>1. Issue of Non-Convertible Securities on private placement basis</li> </ol>
2014-15	September 28, 2015	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar – 382 044, Gujarat.	<ol style="list-style-type: none"> <li>1. Issue of Non-Convertible securities on Private Placement Basis.</li> <li>2. Approval of Material Related Party Transactions with Indus Towers Limited.</li> </ol>

**Extra-ordinary General Meeting**

During the Financial Year 2017-18, an Extra-ordinary General Meeting was held on January 30, 2018.

Financial Year	Date	Time	Venue	Particulars of Special Resolution(s)
2017-18	January 30, 2018	12.30 p.m.	Cambay Sapphire (Formerly Cambay Spa and Resort), Plot No.22-24, Near GIDC, Opposite Hillwoods School Sector 25, Gandhinagar – 382 044, Gujarat.	<ol style="list-style-type: none"> <li>1. Issue of Equity Shares on Preferential Basis.</li> <li>2. Issue of Equity Shares by way of Qualified Institutions Placement.</li> </ol>

**Postal Ballot**

There was no Special Resolution passed through Postal Ballot during the Financial Year 2017- 2018. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## iv) Details of unclaimed shares in terms of Regulation 39 of the SEBI (LODR) Regulations, 2015

In terms of Regulation 39 (4) of the Listing Regulations, the details in respect of Equity Shares lying in the suspense accounts which were issued in Demat form pursuant to the Initial Public Offer (IPO) of the Company in the year 2007 are as given below:

Particulars	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year i.e. as on April 1, 2017	75	17,256
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2017-18	1	90
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2017-18	1	90
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on March 31, 2018	74	17,166

The Voting Rights on the shares in the suspense account as on March 31, 2018 shall remain frozen till the rightful owners of such shares claim the shares. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed shares.

**7. CEO/CFO CERTIFICATION**

As required under Regulation 17(8) of the Listing Regulations, certificate duly signed by the CEO/ CFO of the Company is appended as an Annexure to this Report.

Financial reporting for the quarter

ending December 31, 2018 : By Mid February, 2019

Financial reporting for the year

ending March 31, 2019 : By Mid May, 2019

Annual General Meeting for the

financial year 2018-19 : August, 2019

**8. REPORT ON CORPORATE GOVERNANCE**

This Corporate Governance Report forms part of the Annual Report. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**3. Book Closure Date** : December 15, 2018 to December 22, 2018 (both days inclusive)

**4. Dividend** : Nil

**5. Dividend Payment Date** : Not Applicable (Since no Dividend is recommended for Financial Year 2017-18)

**9. AUDITORS' CERTIFICATION**

As required under Regulation 34 of the Listing Regulations, the certificate from the Company's Auditor M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, affirming compliance with the conditions of Corporate Governance as stipulated in the aforesaid Regulations is appended as an Annexure to this Report.

**6. Registered Office** : Suman Tower, Plot No. 18, Sector - 11, Gandhinagar – 382 011, Gujarat  
Tel: +91-79-66714000  
Fax: +91-79-23232251

**GENERAL SHAREHOLDERS' INFORMATION****1. Annual General Meeting**

Day and Date : Saturday, December 22, 2018

Time : 12:30 P.M.

Venue : Cambay Sapphire  
Plot No. 22-24, Near GIDC,  
Opposite Hillwoods School, Sector 25,  
Gandhinagar – 382 044, Gujarat

**7. Plant Locations** : The Company being a service provider, has no plant locations.

**2. Financial Calendar for 2018-19 (Tentative)**

Financial reporting for the quarter ending June 30, 2018 : End July, 2018

Financial reporting for the quarter ending September 30, 2018 : By Mid November, 2018

**8. Unclaimed Dividend**

Under Section 124(5) of the Companies Act, 2013, dividends that are unclaimed/un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Since, the Company declared its maiden dividend in September 2013 for Financial Year 2012-13, no unclaimed dividend was due for transfer to IEPF during the Financial Year 2017-18. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed dividend.

Pursuant to Section 124(5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration of Dividend	Dividend Declared per share	Due for transfer to IEPF
2012-2013	16/09/2013	₹ 0.30	21/11/2020
2013-2014	26/09/2014	₹ 0.40	31/10/2021
2014-2015	28/09/2015	₹ 0.60	02/11/2022
2015-2016	29/09/2016	₹ 0.60	03/11/2023

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof at least 20 days before they are due for transfer to the said fund.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of un-paid and un-claimed amounts lying with the Company as on June 30, 2017 (date of last Annual General Meeting) on the Company's website at [www.ideacellular.com](http://www.ideacellular.com) and on the website of the Investor Education and Protection Fund Authority.

#### Transfer of Shares to Investor Education and Protection Fund:

Pursuant to the provisions of section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years or more, has to be transferred by the Company to the

demat account opened by the IEPF Authority. As the time period of seven years has not yet lapsed since, the Company declared its maiden dividend in September 2013 for Financial Year 2012-13, no shares are due to be transferred by the Company.

#### 9. Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of Stock Exchanges	
National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

The Annual Listing fees for the Financial Year 2018-19 has been paid to the above Stock Exchanges.

#### 10. Debt Securities

The Non-Convertible Debentures of the Company are listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited.

#### 11. Stock Codes

	Stock Code	Reuters	Bloomberg
BSE Limited	532822	IDEA.BO	IDEA IN
National Stock Exchange of India Limited	IDEA	IDEA.NS	NIDEA IN
ISIN No. of Equity Shares	INE669E01016		
CIN	L32100GJ1996PLC030976		

#### 12. Stock Price Data

The monthly high and low prices and volume of shares of the Company at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the Financial Year 2017-18 are as under:

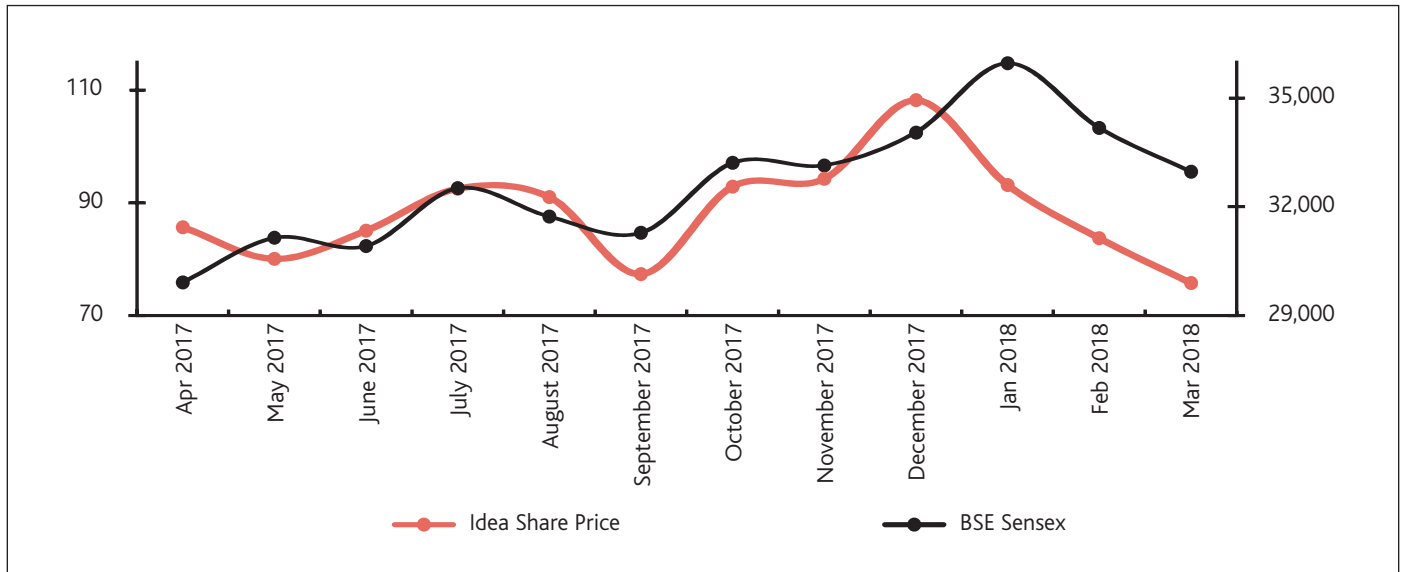
Month	BSE Limited				National Stock Exchange of India Limited			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)
April, 2017	89.40	84.20	85.65	11,63,750	89.50	84.30	85.95	1,00,34,736
May, 2017	93.25	75.80	80.05	13,52,450	93.35	75.80	80.00	1,22,98,026
June, 2017	85.40	76.10	85.05	10,31,346	85.70	76.10	85.25	79,05,378
July, 2017	99.60	81.25	92.50	27,70,264	99.70	81.85	92.45	1,77,85,309
August, 2017	95.45	85.00	91.00	13,97,693	95.00	84.80	90.65	76,40,444
September, 2017	91.15	74.80	77.35	17,09,166	91.30	74.75	77.45	1,08,40,790
October, 2017	100.80	71.50	92.90	17,50,055	100.85	71.45	92.85	1,68,52,531
November, 2017	110.85	91.15	94.25	21,33,354	110.80	91.05	94.45	1,97,46,945
December, 2017	108.60	89.75	108.20	8,75,859	108.90	89.50	108.15	95,68,331
January, 2018	118.00	91.45	93.15	19,16,053	118.90	91.20	93.10	2,07,63,000
February, 2018	93.75	80.35	83.70	13,78,500	93.55	80.00	83.90	1,44,75,839
March, 2018	84.15	74.55	75.75	17,57,099	84.20	74.55	75.90	1,15,47,319

Source: BSE and NSE Website

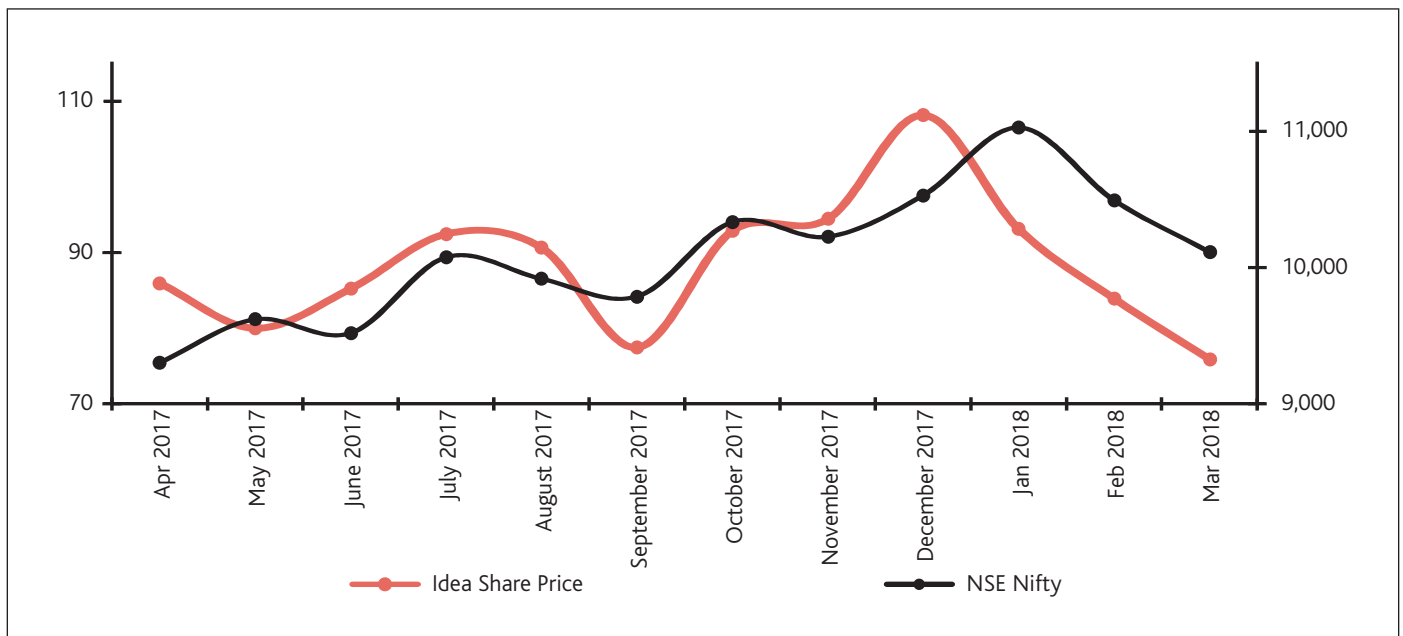
### 13. Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the Financial Year 2017-18 is as under:

(a) Comparison of the Company's share price with BSE Sensex



(b) Comparison of the Company's share price with NSE Nifty



**14. Share Transfer System**

Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of shares in physical form is normally processed within a period of 12 working days from the date of the lodgement, subject to documents being valid and complete in all respects. All transfers are first processed by the Registrar and Share Transfer Agent and are submitted to the Company for approval thereafter. During the year under review, no request for physical transfer was received. Company also obtains half yearly certificate from a Practicing Company Secretary confirming compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and same is filed with the Stock Exchanges.

**15. Distribution of Shareholding**

The distribution of shareholding of the Company as on March 31, 2018 is as follows:

Number of Equity Shares held	Number of Share-holders	% to total Share-holders	No. of Shares held	% to total Share-holding
Upto 5000	253,426	92.4127	30,965,269	0.7103
5000 – 10000	11,357	4.1414	9,003,102	0.2065
10001 – 20000	4,643	1.6931	6,949,927	0.1594
20001 – 30000	1,389	0.5065	3,575,282	0.0820
30001 – 40000	616	0.2246	2,219,651	0.0509
40001 – 50000	535	0.1951	2,549,358	0.0585
50001 – 100000	810	0.2954	5,935,058	0.1361
100001 & above	1,457	0.5313	4,298,123,283	98.5962
<b>Total</b>	<b>274,233</b>	<b>100.00</b>	<b>4,359,320,930</b>	<b>100.00</b>

**16. Shareholding Pattern**

The Shareholding Pattern of the Company as on March 31, 2018 is as follows:

Category	No. of Shares	% Shareholding
Promoter and Promoter Group	1,855,480,712	42.56
Foreign Institutional Investors	1,164,850,855	26.72
Non-Resident Indians / Overseas Corporate Bodies	714,862,931	16.40
Mutual Funds, Financial Institutions, Banks, Insurance Companies, Venture Capital Funds and Alternate Investment Funds	507,872,243	11.65
Domestic Bodies Corporate	23,143,917	0.53
Resident Indians and Others	93,110,272	2.14
<b>Total</b>	<b>4,359,320,930</b>	<b>100.00</b>

**17. Dematerialisation of Shares and Liquidity**

The Shares of the Company are compulsorily tradable in dematerialized form through both the Depository Systems in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). A total number of 4,35,93,12,766 Equity Shares of the Company constituting over 99.99% of the issued, subscribed and paid-up share capital were held in dematerialised form as on March 31, 2018.

**18. Outstanding GDRs/ADRs etc.**

There are no outstanding GDRs/ADRs or Warrants or any Convertible Instrument as on March 31, 2018.

**19. Registrar and Share Transfer Agents**

(To handle share transfer and communications regarding share certificate, dividend, change of address, etc.)

M/s. Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East),  
Mumbai-400059

**20. Debenture Trustees**

M/s IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Building,  
Ballard Estate,  
Mumbai – 400 001  
Tel: +91-22-4080 7000  
Fax: +91-22-6631 1776

**21. Investor Correspondence**

In order to facilitate quick redressal of the grievances/ queries, the Investors and Shareholders may contact the Company Secretary at the under mentioned new Corporate Office address for any assistance:

Mr. Pankaj Kapdeo  
Company Secretary  
Idea Cellular Limited  
Birla Centurion, 10th Floor  
Century Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 030  
Tel: +91-9594003434  
Fax: +91-22-26527080  
E-mail: shs@idea.adityabirla.com

**22. E-Voting:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the Listing Regulations, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by NSDL.



## Declaration

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of Idea Cellular Limited have confirmed compliance with the Code of Conduct for the year ended March 31, 2018.

Place : Mumbai  
Date : April 28, 2018

**Himanshu Kapania**  
Managing Director

## CEO/CFO Certification

To,  
The Board of Directors  
Idea Cellular Limited  
Mumbai

We, Himanshu Kapania, Managing Director and Akshaya Moondra, Whole Time Director and Chief Financial Officer, of Idea Cellular Limited ('the Company'), to the best of our knowledge and belief, hereby certify that:

- a) We have reviewed the financial statements and cash flow statements of the Company for the year ended March 31, 2018 and:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year ended March 31, 2018, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps that have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, wherever applicable:
  - i) Significant changes in the internal control over financial reporting during the year;
  - ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Date : April 28, 2018

**Himanshu Kapania**  
Managing Director

**Akshaya Moondra**  
Whole Time Director & Chief Financial Officer

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of  
Idea Cellular Limited

1. The Corporate Governance Report prepared by Idea Cellular Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following meetings held from April 1, 2017 to March 31, 2018:
    - (a) Meeting of Board of Directors;
    - (b) Annual General meeting;
    - (c) Extra-ordinary general meetings;
    - (d) Audit committee;
    - (e) Nomination and remuneration committee;
    - (f) Stakeholders Relationship Committee;
    - (g) Finance committee;

- (h) Securities allotment committee;
  - (i) Corporate social responsibility committee;
  - (j) Risk management committee; and
  - (k) Capital raising committee
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

#### Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### Prashant Singhal

Partner

Membership Number: 93283

Place : Mumbai

Date : April 28, 2018

## Business Responsibility Report

### About this Report

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates top 100 listed entities based on market capitalization on the BSE and NSE, to include Business Responsibility Report as part of the Annual Report describing the initiatives taken by the Companies from Environmental, Social and Governance perspectives.

This Business Responsibility Report, is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides general information about the Company and its business responsibility as required by SEBI.

The following five sections cover disclosures as per the SEBI suggested BRR framework.

### Section A: General Information about the Company

S. No.	Description	Information
1	Corporate Identity Number	L32100GJ1996PLC030976
2	Name of the Company	Idea Cellular Limited
3	Registered address	Suman Tower, Plot No. 18, Sector 11, Gandhinagar - 382 011, Gujarat
4	Website	www.ideacellular.com
5	Email Id	shs@idea.adityabirla.com
6	Financial year reported	2017 -18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunications services Group: 9984 Class: 99841 Sub-class: 998413
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Idea Cellular Limited (Idea) is one of the leading national telecommunications service providers in India. The Company is engaged in the business of mobility and long distance services.
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (provide details of major 5)	None
	ii. Number of National Locations	Company has its business activities and operations spread across the country
10	Markets served by the Company - Local/State/National/ International	The Company serves the Indian markets

### Section B: Financial Details of the Company

S. No	Description	Information
1	Paid up capital (INR)	The paid-up equity capital of the Company as on March 31, 2018 is ₹ 43,593,209,300/- comprising of 4,359,320,930 Equity Shares of ₹ 10/- each.
2	Total turnover (INR)	₹ 281,268 Mn
3	Total profit / (loss) after taxes (INR)	₹ (47,808) Mn
4	Total spending on corporate social responsibility (CSR) as percentage of profit after tax (%)	For the Financial Year 2017-18, Idea's CSR spent was around ₹ 199.43 Mn

S. No	Description	Information
5	List of activities in which expenditure in 4 above has been incurred	<p>The projects implemented during FY 2017-18 are:</p> <ul style="list-style-type: none"> <li>- Solar Urja Lamps with IIT Bombay</li> <li>- Mid-Day Meal Program with Akshaya Patra Foundation</li> <li>- Girl Child Education - Vidya Har Beti Ka Adhikar</li> <li>- KHEL with IIT Bombay and IIT Kanpur</li> <li>- MPOWER with Aditya Birla Education Trust</li> <li>- Health Care Support to Deaf-Mute Children through Cochlear Implant</li> <li>- Village Social Entrepreneurs in Healthcare with Public Health Technologies Trust</li> <li>- School-based Educational Intervention Program for Reduction of Future Risks of Cardio Vascular Diseases with Mission Arogya Health and Information Technology Research Foundation</li> <li>- Roshini: Digital &amp; Economic Empowerment of Women</li> <li>- Village Social Transformation Mission with Village Social Transformation Foundation.</li> <li>- Greening India</li> <li>- Swacchh Iconic Place, Somnath Temple under Swacchh Bharat Mission Program</li> </ul> <p>During the year 2017-18 the company's CSR initiatives made impact on the lives of around 11 lakh people (3.5 lakh students including parents through educational support programs; 5.5 lakh children including their parents through health support programs, 1.01 lakh through sustainable livelihood and 1 lakh through Swacchh Iconic Place-Somnath Temple.</p>

### Section C: Other Details

S. No	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has four subsidiary companies, the details of which have been provided in the Director's Report.
2	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	<p>The Company engages and positively encourages its subsidiary companies to participate in its Business Responsibility initiatives. Its "Aditya Birla Policy on Code of Conduct &amp; Redressal Policy" guides all its subsidiaries and makes sure that they adhere to the highest levels of ethical and transparent business practices.</p> <p>Yes, one subsidiary company participated in BR activities.</p>
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	<p>The Company while onboarding its suppliers/ distributors ensure alignment and compliance to all business responsibility (BR) expectations of Idea. Further, they are encouraged to follow the concept of being a responsible business.</p> <p>Currently, more than 60% of existing and 100% of all new entities participate in the Company's BR initiatives. Idea Cellular is continuing to encourage more and more entities to participate in future.</p>



## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	03387441
Name	Mr. Himanshu Kapania
Designation	Managing Director

#### b) Details of BR head

S. No	Description	Information
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Pankaj Kapdeo
3	Designation	Company Secretary
4	Telephone number	9594003434
5	Email-id	shs@idea.adityabirla.com

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

- P1** — Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** — Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** — Businesses should promote the well-being of all employees.
- P4** — Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** — Businesses should respect and promote human rights.
- P6** — Businesses should respect, protect and make efforts to restore the environment.
- P7** — Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** — Businesses should support inclusive growth and equitable development.
- P9** — Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### 2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y <sup>1</sup>	Y <sup>2</sup>	Y <sup>3,4</sup>	Y <sup>3</sup>	Y <sup>5</sup>	Y <sup>2</sup>	-	Y <sup>6</sup>	Y <sup>3</sup>
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies conform to aspects of the nine principles of the National Voluntary Guidelines for Business Responsibilities (NVGs)								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	<p><b>Apex Sustainability Committee</b></p> <p>The Apex Sustainability Committee is a Group level Committee that comprises of senior leadership from all ABG Companies selected by the Chairman. This committee meets at least twice in a year. The Apex Sustainability Committee assists ABG in meeting its responsibilities in relation to sustainability and sustainable development related matters arising out of the operations of the Group and individual businesses with the goal of building sustainable businesses.</p> <p><b>Business Sustainability Committee</b></p> <p>Idea's Business Level Sustainability Committee is made up of the Company's Executive Committee (EC) chaired by the Managing Director and all top Management (CXOs) representing every Function including the Chief Technical Officer who is the designate Chief Sustainability Officer and Senior VP (Networks) championing Sustainability.</p> <p>Committee members ideate and oversee sustainability governance across the company, own the policies, accelerate progress and streamline the successful adoption of new sustainability related processes. The Management Committee (MC) comprising all Circle Heads are apprised and their inputs taken into consideration before rolling out any program.</p> <p>Cross-functional thematic Sustainability Committees and Sub committees at the Corporate level - Senior and Middle Management Nominees from all functions assist the EC and MC. The entire process is coordinated by the full time Sustainability Officer/ SME (Subject Matter Expert) who is also the single point of contact (SPOC) with the Group, and working closely with the Group Sustainability Cell. This Cell supports Idea's implementation of all Sustainability Policies, Standards and Processes required by in the Group Sustainability Framework.</p> <p><b>Site Sustainability Committee / Working Groups</b></p> <p>Idea has identified site level representation to ensure adherence to key identified responsible stewardship focus areas such as tracking all Occupational Health &amp; Safety incidents; tracking NWS and facility level energy consumed and GHG (Green House Gas) emitted; compliance to NWS EMF radiation norms; tracking all Waste (including E Waste) generated and disposed at the site level etc.</p> <p>A Sustainability Evangelist Program is rolled out at the Circle level is also adding value to realize the overall Responsible Stewardship targets being set. The focus is to implement several site level projects towards identifying and achieving the respective business sustainability goals.</p>								
6.	Indicate the link for the policy to be viewed online?	#	-	-	-	-	-	-	-	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all relevant stakeholders of the Company. The Company's communication with internal and external stakeholders on such matters is a continuous process.								
8.	Does the company have in-house structure to implement the policy/policies?	<p><b>Idea's Sustainable Business Vision</b> is that "Idea Cellular Limited is committed to be the most admired telecom company following sustainable business practices, and creating long term stakeholder value by balancing its economic growth with responsible environmental practices and societal interests."</p> <p>The Sustainability Organogram of Idea includes:</p> <ul style="list-style-type: none"> <li>Executive Committee (EC) chaired by MD comprising of all CXOs leading from the front. The EC deliberate and drive sustainability governance of the company and ensure efficient adoption of new sustainability processes and accelerate its progress</li> </ul>								

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		<ul style="list-style-type: none"> <li>Chief Technical Officer (CTO) is the designate Chief Sustainability Officer (CSO) with Senior VP (Networks) as the Sustainability Champion. The CSO represents Idea Cellular at the ABG Apex Sustainability Committee, which reports to the Chairman through the Business Review Council (BRC) Quarterly Reviews</li> <li>Sustainability Officer/ Subject Matter Expert (SME) drives all companywide initiatives with HoD level SPOCs nominated from all Functions</li> <li>Thematic Cross Functional Teams (CFT) is in place to measure and manage sustainability focus areas across the company</li> </ul>								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	y	-	y	-	-	-	-
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	<p>Aditya Birla Group has established a robust Sustainability Framework of Policies, Technical Standards, and Guidance Notes based not just on the local laws but also on leading International standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI) and others. The Framework defines the direction and ambition of Idea's Sustainability approach. In order to realize the ambition, Idea has a robust internal review mechanism for its key policies in conformance with the Aditya Birla Group's Sustainability Framework.</p> <p>The company through an ABG initiative has engaged the services of an international agency for implementation of an IT system capable of providing data management across all issues and initiatives.</p> <p>Sustainability Dashboard created and reviewed quarterly with Group level Central Sustainability Cell Office &amp; Reporting to Business Review Council continuing from Q3 FY14.</p> <p>The Company is publishing regular (Bi annual) dedicated Sustainability Reports as per international standards from FY16. Idea's First (FY16) Sustainability Report aligned to GRI G4 Guidelines is already in public domain. For details please refer to <a href="http://www.ideacellular.com/aboutus/sustainability">http://www.ideacellular.com/aboutus/sustainability</a></p> <p>The subsequent FY18 Idea Sustainability Report as per GRI Standard is in the offing.</p>								

<sup>1</sup> Code of Conduct

<sup>2</sup> Energy & Carbon Policy\*

<sup>3</sup> Policy on Mission, Vision, Values

<sup>4</sup> Policy on prevention of Sexual Harassment

<sup>5</sup> Human Rights Policy\*

<sup>6</sup> Corporate Social Responsibility Policy\*

\* Safety, Health and Environment Policy, Human Rights Policy, and Corporate Social Responsibility Policy were formally adopted in April 2013.

# [http://www.ideacellular.com/wps/wcm/connect/home/idea/investor\\_relation/code+of+conduct](http://www.ideacellular.com/wps/wcm/connect/home/idea/investor_relation/code+of+conduct)

## 2a. If answer to S.No. Against any Principle is 'No', please explain why?

S. No.	Principle	Response
1	Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	The Company plays a key role in advocating issues of the telecom sector. The senior management of the company actively participates in various industry forums and is involved with various stakeholders for discussions regarding formulating new policies, reviewing and modifying relevant policies (described later in the report). The company currently does not have a stated policy on policy advocacy, however, it continues to monitor and follow the business and regulatory environment.

## Section E: Principle-wise Performance

## Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Vision, Mission and Values adopted by the promoter Aditya Birla Group (ABG), governs and guides all business activities and stakeholder interactions at Idea Cellular.

As a company with an all India presence and operating in diverse markets and cultures, the five core Values that bind all employees of Idea are - Integrity, Commitment, Passion, Seamlessness and Speed. Along with the core values, all Board Members and senior management personnel affirm their compliance to the Code of Conduct, derived from the three fundamental principles of good corporate governance, good corporate citizenship and exemplary personal conduct.

Idea is committed to taking fair and honest decisions following the highest standards of professionalism and business ethics. Integrity is the basis for all its dealings and interactions with its customers, employees, suppliers, partners, shareholders, communities and the government. Idea has a sound consequence management process in place to maintain checks and balances on these very values and policies.

Along with the core values, all Board Members and senior management personnel affirm their compliance to the Code of Conduct (Code) it has adopted with the provisions of SEBI (Listing Obligation and Disclosure Requirement), 2015. The Code is derived from three inter-linked fundamental principles of good corporate governance, good corporate citizenship and exemplary personal conduct.

The Company also has in place a Code, which requires all employees to transact with each other in a fair and dignified manner and respect diversity. Integrity in personal conduct, conduct at work, conflict of interest and interface with the external world are all covered under the code.

From its vendors, Idea demands ethical business conduct. As part of its Health Safety and Environment Policy, vendors must not engage in unethical practices such as bribery, corruption or other malpractices to gain competitive advantage.

Idea Cellular is sensitive about transparent and timely communication in order to yield positive results and take faster decisions thereby enhancing the credibility of the management.

## SEBI – BRR Questionnaire Responses for Principle 1:

1. *Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No.*

Ans: No

2. *Does it extend to group/joint ventures/suppliers/contractors/ NGOs/ Others?*

Ans: Based on the Aditya Birla Group Code, which addresses the aspects of ethics, bribery and corruption, Idea Cellular has adopted its own Code. The five core values Integrity, Commitment, Passion, Seamlessness and Speed – have been adopted across the Aditya Birla Group including the employees of Idea and its subsidiaries. In addition, the Company's vendor/supplier contracts include clauses on ethical behavior, bribery and corruption.

3. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.*

Ans: There are no outstanding complaints for FY 2017-18.

## Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

At Idea, diligent efforts are on towards resource and waste optimization, thus striving towards a responsible supply chain. FY18 was a year of consolidation in Telecom Industry. Due to revenue and resource pressures, a lot of swap in Networks was planned and offices were improved. Accordingly the theme devised for managing Idea's Supply Chain for FY18 was: 3R's of operational efficiency — Reduce, Reuse and Recycle - This theme is of particular significance to ensure that excesses of any nature do not occur and assets are optimally utilized. The Company continues to strive for extending the useful life of all equipment and minimize scrap generation.

Compliance on EMF radiation related regulation is another business priority at Idea. The company has made significant financial investment in the purchase of EMF monitoring equipment and is compliant with existing directions/ orders of the Department of Telecommunications (DoT). The Company is proactively engaged in public education initiatives led by the Cellular Operators Association of India (COAI) on the subject of EMF. Idea continues to strengthen its internal systems and processes

to remain EMF compliant. Resources for ensuring compliance have been appointed in all the Circles. Idea has a dedicated team of senior officials who engage with external and internal stakeholders for awareness and education on EMF. As specified by DoT, the company works closely with the COAI on the [www.tarangsanchar.gov.in](http://www.tarangsanchar.gov.in) (EMF portal) to update data related to Idea Base Transceiver Stations (BTSs) operating across the country. The Hon'ble Telecom Minister launched the portal in 2017 to disseminate information regarding electromagnetic fields (EMF) from all installed BTSs of all telecom service providers to the public.

#### SEBI – BRR Questionnaire Responses for Principle 2:

1. *List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.*

**Ans:** Following are examples of the Company's product / service features that incorporate the aspect of environmental conservation:

- **Reuse of churned SIM cards and utilization of non-moving SIM-** Approximately 2.5 lakh SIM cards are churned per month in Karnataka circle only. These were reutilized post implementation of national SIM cards voiding the possibility of the SIMs becoming scrap. This initiative was implemented in 11 other circles. Based on the marketing projection NMNP SIM cards were procured and they got obsolete. Now the Company has changed the SIM category in NSMS from NMNP to Regular Combo SIM Cards. This helped in consumption of 5 lakh obsolete SIM cards in one circle only. This initiative was replicated in 11 different Circles.
- **SUK Optimization - (5 SIM in One KIT) -** Packaging and artwork standardization for SIM cards has helped in reduction of wastage of kits. Now five SIM cards are packaged in 1 kit.
- **Digitization of Welcome Letter -** This initiative was implemented in Delhi Circle and replicated subsequently pan India to 11 other Circles. The total savings in this initiative was approximately INR 2.5 Million, which is a savings of almost 22 ton virgin paper, which is equivalent to saving 371 trees.
- **Scrap Management Module –** In the past, scrap disposal was governed by a manual system operated through paper work only. Introduction of a web based scrap disposal Module has reduced the turn-around time of approval processes considerably. Further, it has helped in providing better visibility of the position of each scrap disposal proposal. This IT automated initiative has led to a savings of approximately 5,100 A4 sheets, which is equivalent to almost 45 kg wood.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional). (i) Reduction during sourcing / production / distribution achieved since previous year throughout the value*

*chain; (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year:*

**Ans:**

- **Digitization of Welcome Letter -** This initiative has incurred a savings of almost 22 tons of virgin paper, equivalent to saving 371 trees.
- **Introduction of a Scrap Management Online Module -** This initiative has led to a savings of approximately 5100 A4 sheets which is equivalent to almost 45 kg wood

3. *Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.*

**Ans: Transportation:** Idea is in the process of developing a software for automation of secondary transportation operations at Ideas' warehouses. This software will enable warehouse teams by proposing the shortest and economical route for transportation, consolidation of multiple trip to single destination to a single trip and monitoring of volumetric efficiency. Further, the company has proposed to install GPS tracking of the vehicles to provide better visibility of status of any shipment.

**Sustainable sourcing:** A module for vendor on-boarding has been put in place in Oracle, new and exhaustive questionnaire have been added to the on-boarding system with 6 mandatory criteria for screening, including sustainability and healthy business practices. Basic screening rejects the suppliers if they do not comply with the requirements of these questions. Besides, vendor site visits are conducted at the time of on-boarding and follow up visits are also conducted in order to ensure compliances.

4. *Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?*

**Ans:** As on FY18, Idea has more than 7,500 vendors through which procurement of various goods and services are being done and more than 99% procurement is being done from local vendors (based out of India). Most procurement activities are carried out at local offices in all states conducting business transactions with local vendors.

5. *Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.*

**Ans:** The major concern for any telecom Company with regard to waste is the volume of E-waste generated. The industry has grown over four generation of technology changes and so has the associated infrastructure. The growing infrastructure has also increased the volume of e-waste generated year on year. In Idea, we have a clear



directive of taking the material through stages of screening before declaring any material scrap. This screening process focusses on exploring reusability and recyclability of the material and looking for possible ways to prevent such scrap generation in future. Once a material is declared scrap, a designate team approves for final disposal. The concerned Function then ensure that the declared scrap is channelized to authorized collection centers or registered dismantler(s) or recycler(s) or is returned to the pick up or take back services provided by the producers (original manufacturers). Only 0.1% material have been declared scrap in FY 18.

### Principle 3: Businesses should promote the wellbeing of all employees

The importance of welfare and the interest of its human resources form the very basis of the Company. This is evident in the Chairman's belief: "Without 'people power' even the best of operational and strategic thinking will come to naught"- Chairman, Idea.

In order to ensure employee well-being and development, the Company has adopted the following specific policies:

1. Whistleblower Policy
2. Human Rights Policy
3. Policy to Prevent Sexual Harassment at the Workplace
4. Training Policy
5. Continuing Education Policy
6. Grievance Redressal mechanism
7. Employee Recognition Policy
8. Pre-Employment & Executive Health Check Up Policy
9. Life Unlimited
10. Doctor 24X7 Tele Health Service etc.

Idea with its strong focus on human resources development enjoys high levels of employee satisfaction and retention. It has consistently maintained a high level of employee motivation and productivity has been maintained in a disruptive market. Employee engagement and internal communication scores at Idea have improved steadily over the years. The rate of participation of employees in various surveys as well as the satisfaction levels have also improved significantly.

Idea recognizes that a safe workplace and safety conscious personnel is the core of sustainable development. The company is committed to continually improve its safety practices, performance and to protect employees including contractor employees, business partners, service providers, visitors and society at large from any harm. Three pronged approach have been formulated for improving Occupational Health & Safety (OH&S) performance. They are:

1. Organization Safety Culture;
2. Systems & Processes;
3. Equipment's and Facilities.

OH&S Strategy have been supported by an implementation road map to include initiatives in each of the above three elements. Initiatives

have been scheduled in a way so that equal emphasis is given to all the above three elements.

Safety Leadership Trainings were organized for Corporate OH&S SPOCs as well as OH&S Champions based at Circles. Leadership trainings on Safety were conducted for all Vertical Heads at Circle locations. Several internal and external engagement programs have been organized covering own and contractor employees pan India to ensure awareness and involvement of employees on health and safety. Regular internal and external training programs were held at various Circle and zonal locations on specific safety subjects for employees managing Warehouses, Tower sites, Offices, etc. Competency based trainings were organized to enhance personnel capabilities for working at heights particularly on cellular towers. Train the trainer program held for OH&S SPOCs on Occupational Health and Industrial Hygiene.

3rd party Safety audits were conducted to cover all Warehouses across all Circles. OH&S inspections are being conducted at Warehouses, Offices & Facilities including MSC locations. Design for Safety aspects have been considered for modification in new tower designs to include state of the art fall protection systems to prevent falls and others features included for safe material handling on the towers. Zonal OH&S audits were initiated by Circle Admin team along with Corporate OH&S resource covering Zonal Offices, MSC's and tower sites.

Safety communications through frequent E-mailers being sent to all the employees to create awareness on Health & Safety. Campaigns organized on Road Safety Week, "Zero Harm" & "Life Saving Rules" and celebrated at all locations to raise employee awareness on these subjects. Ground rules made on road safety and enforced for the use of crash helmets by all two wheeler riders. ABG OH&S Vision of "Zero Harm" was communicated during Safety Week campaigns. Mandatory 10 Life Saving Rules were communicated to all employees for strict adherence and compliance. Safety competition organized for Warehouse Community to capture best practices on OH&S for horizontal implementation across Circles.

Emergency Organization including Emergency Response Teams (ERT) have been constituted at all Circle Offices to address potential emergency situations. Fire and Evacuation drills are conducted across all Circle locations on a half yearly basis involving all employees. First Aid sessions are conducted by competent agencies for Emergency Response Teams at Circles.

A process of reviewing the OH&S Competencies of prospective vendors/suppliers are established. Generic OH&S clauses framed were for inclusion in the service contracts as a part of Contractor Safety Management. Safety clauses were included in New Built Guidelines for acquisition of new tower sites.

Idea has implemented ABG Code Red Programme as part of the Aditya Birla Group (ABG). A week long national campaign on ABG Code Red was organized at Idea during Q3 FY2018 to spread awareness on emergency services to Idea employees. The programme has a tie-up with:

- International SOS: It provides integrated medical, clinical, and security services to organizations with international operations. Services include planning and preventative programs, in-country expertise, and emergency response.

- Apollo Hospitals - Emergency Medical Services
- The company has Code Red volunteers across the Aditya Birla Group

The Company's policies and practices are based on respect for employee rights and genuine needs, which include non-discrimination, work-life balance, safety and dignity. All applicable legal requirements are followed in this regard. Idea continuously works on monetary and non-monetary ways to recognize employees' achievements.

To make its employees more effective in their current and future roles, Idea has adopted the Aditya Birla Group's Continuing Education Policy encouraging mid-career education and professional development.

Idea has instituted various initiatives in order to develop and build an environment that facilitates employee development, encourages open and transparent communication. Some such initiatives are outlined below:

- Aspire - Framework of internal development centers for high potential and high performing employees. Internal Talent needs are being satisfied through this initiative.
- Evolve - 'Competency based grid' training framework to develop people through different interventions on competencies. 22 new modules were introduced in FY2018.
- i-Mitra - Employee query / request management tool.
- Pragya initiative - Building a culture of inclusion based on gender diversity.
- Pragya Udaan - Launched for all women employees for career awareness and competency building, include a workshop using theatre methodology
- Digital Learning:
  - Gamification - To build business acumen with P&L mindset through simulation and digital based learning
  - MOOC: Leverage the open source self-paced learning for new skill sets in Digital age
- Peer to Peer Learning: To leverage the tacit knowledge in the organization and to share experience & expertise
- POSH (Policy on Sexual Harassment) e-learning & Gender sensitivity programs held for all managers
- YL Conclave: To celebrate the spirit of young leaders (YL) at Idea & enable community building by engaging them in a series of knowledge sessions
- Wellness Week: To focus on mental, physical, social and intellectual wellbeing.

Further, Idea actively engages with its employees through various 'Team Meets/Town Halls' and 'Idea Connect'.

In an effort to enhance employee satisfaction, the Company has developed a formal process ('VOICE') which provides the employees across the organization a platform to voice any unresolved workplace

concerns and seek resolution in a fair and transparent manner. Under this initiative, Employee Satisfaction Champions and Employee Satisfaction Teams have been entrusted with the task of addressing employee concerns as per a defined process.

**SEBI – BRR Questionnaire Responses for Principle 3:**

**1. Please indicate the total number of employees:**

**Ans:** The Company has 9,881 regular employees as on March 31, 2018

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis:**

**Ans:** The Company has 6,428 employees on temporary/ contractual/ casual basis as on March 31, 2018

**3. Please indicate the number of permanent women employees:**

**Ans:** The Company has 1,048 permanent women employees as on March 31, 2018.

**4. Please indicate the number of permanent employees with disabilities**

**Ans:** Five permanent employee with some physical disability are employed by the Company

**5. Do you have an employee association that is recognized by management?**

**Ans:** The Company has no employee association.

**6. What percentage of your permanent employees are members of this recognized employee association?**

**Ans:** The Company has no employee association.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

**Ans:** There have been no cases reported, relating to child labour, forced labour, involuntary labour. However, two cases of sexual harassment have been reported and appropriate action have been taken in the last financial year.

**8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? - Permanent Employees, Permanent Women Employees, Casual/Temporary/ Contractual Employees, Employees with Disabilities**

**Ans:**

- Total training man days for the company in FY 2017-18 = 54,451
- Average training man-days per employee = 5.34 for FY 2017-18
- Total training man-days given to sales team in FY 2017-18 = 2,71,492
- Safety drills and evacuation are conducted across all offices on an annual basis.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

Idea formally engages with its stakeholders to identify and work towards meeting their expectations. The company recognizes the critical role played by internal (employees) and external (adjudicators, courts, licensors, industry associations, regulators, network operators and subscribers) stakeholders in its sustainability agenda, and strives to align its social, environment and economic performance with stakeholder needs and expectations.

Idea's inclusive growth plan encourages its partners to employ differently abled people at its call centers. Currently Idea employs 143 differently abled people at its call centers. Idea is also an equal opportunities employer.

Idea is focused on expanding its services in rural areas and promotes schemes such as minimum top up of INR 10 in order to provide affordable access to communication to the economically disadvantaged population.

Idea has set up its rural distribution network to cater to customers far away from the urban centers with its vast variety of services. As of March 31, 2018 the company's total service center presence is in 7,742 population centers of which 5,040 are in rural areas.

In order to cater to remote communities, Idea organizes camps in rural areas where customers are unable to easily access its service centers. The Company has also set up call centers in Tier 2 and Tier 3 cities employing 12,499 call center agents in these towns so as to reach out to the rural customers. Idea also provides Interactive Voice Response (IVR) in 17 languages so that customers are able to understand and avail of various services.

Other than the usual applications, Idea has launched several mobile applications aimed at improving information access and quality of life for non-urban communities across the country, which are often economically disadvantaged. These initiatives pertain to education and learning, agricultural information, health and safety, government schemes and employment generation. Details of such initiatives are provided under Principle 8 of this BRR.

#### SEBI – BRR Questionnaire Responses for Principle 4:

##### 1. *Has the company mapped its internal and external stakeholders?*

**Ans:** Yes, Idea has mapped its key internal and external stakeholders, which include employees, adjudicators, courts, licensors, industry associations, regulators, network operators and subscribers.

##### 2. *Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?*

**Ans:** Idea is a pan-India integrated GSM operator offering 2G, 3G and 4G services, and has achieved deep rural penetration. Idea has succeeded in reaching out to 75% of the rural population in India corresponding to 60% of villages in the country. Under the project "Idea Care", the company is running over 7,742 Company Stores, My Idea Service centres, Idea Points and Idea Service Points. These variant service centers models are spread over approx. 5,040 rural

population centers, catering to the sales and service requirements of the Idea rural and peri-urban subscribers.

##### 3. *Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.*

**Ans:** Idea Cellular recognizes its responsibility for the rural, geographically remote and the economically challenged population of the country and has generated local employment and deployed various rural-focused mobile solutions. The Company's efforts towards job creation for women and rural youth are described above, while its unique mobile-based applications for health, education and financial inclusion are described under Principle 8.

#### Principle 5: Businesses should respect and promote human rights:

Idea sincerely supports a culture of respect and promotes human rights. The Company is of the firm belief that every employee should be able to live with social and economic dignity and with freedom, irrespective of his nationality, gender or religion. The Company complies with all applicable local, state and national laws regarding human rights and worker's rights wherever it does business.

Reinforcing its dedication to human rights issues, Idea has adopted a Human Rights Policy that outlines the Company's commitment to developing a culture of respect and support for human rights - including diversity in workplace, provision of secure environment for all personnel, proactive communications, and contribution to socio-economic development of communities where the Company operates.

As covered under the Human Rights Policy, the key suppliers of the Company are encouraged to uphold and create awareness about human rights in their operations and communities. The Company's key vendor contracts mandate including clauses against use of forced and child labor, worker safety and hygiene and the absence of abuse and intimidation etc.

#### SEBI – BRR Questionnaire Responses for Principle 5:

##### 1. *Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?*

**Ans:** The Company's Human Rights Policy is applicable to all employees of Idea and its subsidiaries and suppliers.

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

**Ans:** No complaints related to human rights were received in the past financial year.

#### Principle 6: Business should respect, protect, and make efforts to restore the environment

As the global telecom industry grows increasingly cognizant of the fact that it needs to lighten its carbon footprint, Idea is one of the leaders in

the search for green energy options in India. Efficient power management, infrastructure sharing, use of eco- friendly renewable energy sources, leveraging the latest technology to reach out to a large audience in the most energy efficient manner such as video and teleconferencing, smart logistics, etc. are some of the best practices in Idea's network infrastructure and day-to-day business operations. The primary focus of the energy conservation drive has been on reducing energy cost and minimizing environmental impact of the company's operations. The Company is constantly asking its vendors to focus on highest energy efficient category equipment. Based on this principle, 100% of all new telecom hardware procurement in FY18 comprise of low power consuming telecom hardware. At the same time, modernizing large chunk of old equipment into new and most energy efficient telecom hardware continues to be a key focus.

In FY 2017-18, Idea continued to adopt environmentally sustainable practices in their transactions with the same foundational objectives laid down as part of Green Idea Project launched in 2013:

1. Reduce Carbon Emissions at the existing & new Telecom Sites of Idea
2. Continue with the procurement of most energy efficient Telecom Hardware
3. Encourage Infrastructure Provider partners to adopt low carbon operations

The track record of FY 2017-18 stands as below:

- Over 70% of Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)
- 7,500 indoor sites converted to outdoor sites this FY resulting in reducing CO2 emissions of about 43,458 Tonnes in addition to 17,000 sites converted till FY17 reducing cumulative carbon emissions by 1,40,000 tons.
- The tenancy ratio of Idea is about 2.8, which is highest in the country that further reduces the size of its carbon footprint.
- 100% of the telecom hardware procurement comprise of low power consuming telecom hardware.
- RET based generation through PPAs, against Idea's consumption is 8.25 MW.

Following initiatives undertaken by the Company in the past continued to run smoothly delivering the intended objectives to utilize alternate sources of energy:

- **Exclusive Solar solutions at over 1,200 sites:** The cumulative installed capacity of these Sites amounts to 5.4 MW and it continued to be in service in FY18 also.
- **On-Site Solar implementation:** 25 KW of installed capacity continued to be in operation.
- **Off-Site Renewable Energy (RE) Deployment:** This concept was also initiated in FY15 based on Carbon abatement principle. In FY17,

- 3 MW Solar PPA (Power Purchase Agreement) in AP - 3.1 Mn Solar Units generated & Neutralized CO2 emission of 2,565 Tonnes
- 1.25 MW Solar PPA in MP - 0.75 Mn Solar Units generated & Neutralised CO2 emission of 618 Tonnes
- 2 MW Wind PPA in TNC - 2.4 Mn Wind Units generated & Neutralised CO2 emission of 1,975 Tonnes

In FY 2017-18, 2 MW Solar PPA in Maharashtra Circle has been implemented leading to 0.3 Mn Solar Units generated & Neutralised CO2 emission of 234 Tonnes & Water consumption of 8,50,000 Litres

Some of the tangible outcome of above activities/initiatives in FY18 include:

- Reduction in Carbon emission: CO2 emission reduction of about 43,692 tons was achieved through Power Purchase Agreements (PPAs) and indoor to outdoor conversions.
- Contributing to Greener Economy: The DG running has been reduced by 4 hrs per BTS, on an average, saving approximately 2 Million Litres of diesel in FY18. Reduction in diesel consumption is contributing not only to greener economy but also to the national economy by reducing the use of subsidized diesel.
- Reduction in Carbon Emissions was also achieved through improving PUE (Power Utilization Effectiveness) in MSC (main Switching Centre) Locations

**SEBI – BRR Questionnaire Responses for Principle 6:**

1. *Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?*

**Ans:** The Energy and Carbon Policy extends to the Company and its subsidiaries, as well as to its third party vendors/suppliers.

2. *Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.*

**Ans:** Yes.

Idea is continuing its sustainability journey with special focus on energy efficiency and emission reduction. This ultimately furthers the company's commitment to addressing global environmental issues such as climate change and global warming. The emission levels of the Network is base lined as of FY 2012 and being tracked half yearly. Under this initiative, more than 1,200 plus telecom sites are operational with solar hybrid energy solutions, 25 sites are operational with hydrogen fuel cell hybrid solutions and more than 800 sites are operational with fast charging battery hybrid solutions. More Examples of key initiatives are described under Principle 2, 6 and 8 in this section of the business responsibility report.



**3. Does the company identify and assess potential environmental risks? Y/N**

**Ans:** Idea has always been sensitive to the environmental impact of Telecom Network operations and has proactively adopted environmental sustainable practices whenever such opportunities were/ are available. This very endeavour led to the Green Idea Program towards Carbon emission reduction by way of:

- Using renewable energy technologies (RET) for powering towers during grid failure.
- Using highly energy efficient hardware.
- Reducing Diesel Generator (DG) running by use of Deep discharge batteries thereby reducing diesel consumption.
- Optimizing Air Conditioner operations.

In all such cases Idea adopted only commercially viable models which offered business benefits to all stakeholders involved. Reduction in CO<sub>2</sub> emission and reduction in Operating costs were the driving forces in all its initiatives.

Further, Sustainability issues are being added to the Business Risk Register. A dedicated Enterprise Risk Management (ERM) structure is in place and the same is quarterly reviewed by Idea Cellular Executive Committee (EC). Further, a comprehensive crisis plan is in place and schedule established. Under this, the company has an IT disaster recovery plan in place.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

**Ans:** Idea does not have any project related to Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc**

**Ans:** Apart from installation of energy efficient hardware, Idea has adopted cleaner and non-conventional energy sources such as fuel cell hybrid and solar hybrid technology across several of its BTS sites. Details of these initiatives are provided above in Section 6.

**6. Are the emissions / waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

**Ans:** Idea gives greatest importance to the issue of GHG emissions and waste generated from its operations and follows all pertinent Govt. guidelines to be environment friendly. EMF radiation, and its commitment in this regard is evident from the Company's stringent monitoring systems and financial investment in Emissions testing equipment. All of the Company's network sites are in compliance with the relevant radiation limits prescribed by the regulatory agency.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

**Ans.** There is one legal notice received from CPCB/SPCB, which is pending as at the end of Financial Year.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

As one of the largest mobile operators in the country, Idea advocates policies that can spur socio economic growth as well as the growth of the telecom sector, promoting development, inclusive growth and access to information through programs such as Digital India. Idea is an active player in the following national and international industry associations (either directly or through its subsidiaries):

1. Confederation of Indian Industry (CII)
2. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
3. Federation of Indian Chambers of Commerce and Industry (FICCI)
4. Cellular Operators Association of India (COAI)
5. GSM Association (GSMA)
6. Telecom Sector Skill Council
7. IIMA Idea Telecom Centre of Excellence (IIT-CoE) at the Indian Institute of Management Ahmedabad (IIM-A)

Through its association with the above bodies, Idea actively participates in discussions relating to policy development on several issues pertaining to the telecom industry, including Right of Way (RoW) directives of DoT and other such regulations. In addition, Idea is a member of the CII National Committee on Telecom and Broadband, which actively advocates on telecom industry issues such as inclusive growth, rural telecom, infrastructure development for driving higher quality of service and security for customers, and industry challenges and opportunities. Idea is co-chair of the FICCI Communication and Digital Economy Committee with over 180 member organisations who discuss issues related to the telecom industry, digital convergence, cyber security etc. The company through the Managing Director is on the governing body of Telecom Sector Skill Council.

The company is represented through the COAI in TSDSI, which is a not for profit legal entity in a PPP mode with participation from stakeholders including Governments, service providers, vendors, manufacturers, academic institutes and research laboratories.

Idea is also the principal sponsor of the IIMA Idea Telecom Centre of Excellence (IIT-CoE) at the Indian Institute of Management Ahmedabad (IIM-A). The Centre came into existence in 2007 as a result of a tripartite Memorandum of Understanding (MoU) between the Company, the DoT, and IIM-A. The Idea Telecom Centre of Excellence, along with other TCoEs, is playing an instrumental role in capacity building and all round growth of the Indian telecom industry (including manufacturing through Application Research). It also serves as a think tank to the Government and industry decision makers.



Idea is a key member of the COAI and its senior executives are Chair/ Co-chair of various Committees of the industry body. Idea is also associated with the GSMA and works closely with the association on various industry programs such as 'MobileConnect', digital literacy, spectrum planning, capacity building etc.

#### SEBI – BRR Questionnaire Responses for Principle 7:

1. ***Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.***

Ans: Yes.

Idea is a member of several key Indian and global industry associations. Some of these are (as mentioned in the paragraph above):

1. Confederation of Indian Industry (CII)
2. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
3. Federation of Indian Chambers of Commerce and Industry (FICCI)
4. Cellular Operators Association of India (COAI)
5. GSM Association (GSMA)
6. Telecom Sector Skill Council

2. ***Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others.***

Ans: Idea is a core member of the COAI. The industry body is the lead interlocutor between the policymaker (DoT), the Regulator (TRAI), and the ecosystem at large. The association has been involved in facilitating a smooth and productive dialogue on behalf of the operators in the country, on various public policy matters such as driving rural penetration of telecom, creation of digital ecosystem, higher quality of service and security for customers, environmental and EMF issues in telecom, innovation and technology etc. Idea along with the COAI works on spreading awareness about re-verification of mobile subscribers using Aadhaar, as mandated by the DoT.

Idea is also part of the Idea-IIMA Telecom Centre of Excellence (IITCOE), which is actively involved in creating better telecom standards and technological excellence in this field.

Together with the GSMA, Idea participated in a discussion on Indian telecom sector's role in achieving the Sustainable Development Goals (SDGs) at the UN Global Compact held in New Delhi, last year. Idea also worked closely with the global industry association to promote digital literacy amongst non-data users through a targeted program.

#### Principle 8: Businesses should support inclusive growth and equitable development

Idea's, roadmap for Social Inclusion and Equitable Development aims at ensuring maximum people are included and empowered by connecting them to sustainable economic growth. This objective is guided by its four Social Pillars:

1. Bringing Digital Divide and Bringing all underprivileged into digital Presence.
2. Ensuring Gender Equity and Equal Opportunity to all levels at Idea.
3. Creating opportunity for marginalized section of the society and integrating them to mainstream of the society.
4. Community development and nation building through sustainable development.

Idea's objective and contribution towards achieving inclusive growth and equitable development are accomplished by:

- Reaching to unreached people through robust network and far reaching distribution - Idea is a fully integrated telecom service provider offering its 205.9 million mobile subscribers a choice of national, international and internet services. The Company's services are available in remote towns and villages across India. Moreover, the Company's rural penetration is 60%.
- Gender Equity Policy at Idea: The Company maintains gender equality at all levels. Company constantly endeavours to inspire participation of women through constant support, coach, motivation and by creating opportunities to realize their potential. The gender equality policy at Idea are organic in nature and evolve through the work and involvement of employees engaged within them. Company has number of female centric policies. Company prides itself for its women centric initiatives such as providing crèche facility at work place, differential referral payment, mobility support etc. Company also provides a best in class Maternity Support program to ensure women enjoy the precious moments with no professional pressure.
- Consistently innovating new business models like mobile money, Payment bank, which are focused intervention for overcoming the sustainability barriers.
- Creating human interface "son of Soil" to enhance the access and opportunities gap through mobile network for underprivileged rural community.

#### SEBI – BRR Questionnaire Responses for Principle 8:

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

Ans: Yes.

The Roadmap and miles stones for inclusive growth and equitable development were implemented through the Company's own initiatives and some are through its partners. Key specified programs /initiatives in pursuit of above policy are as follows:

**EDUCATION:**

Education is one of the Company's primary CSR initiatives. The Company works with children of all ages and helps to improve learning among students, school infrastructure and provide educational aid to students. The projects focus on better access to education and to ensure that underprivileged children in rural India get the necessary support to continue their schooling:

- **Solar Lamp to School Children:** The Company under its Solar Lamps initiative in partnership with IIT Bombay is providing a clean source of light to students for studying during the night. It also fosters skill development through learning assembling, distribution and repair of the lamps and setting up solar factory. During FY18, 100,000 students got benefitted. The project extends to five States viz., Rajasthan, Chhattisgarh, Madhya Pradesh, Jharkhand and Maharashtra. The project is under implementation from last three years. This year an additional component have been added to the project i.e., empowerment of rural women by enhancing their livelihood through setting up Solar Factory at Dungarpur, Rajasthan. The factory is owned and managed by rural women of Self Help Groups (SHG). This has led to the economic empowerment of women.
- **Mid-Day Meals to School Children:** The Company in partnership with Akshaya Patra Foundation provides mid-day meals to children in schools. The project is under implementation for last three years. During FY18 - 39,074 school children were provided mid-day meals in the five States Gujarat, Odisha, Karnataka, Rajasthan and UP. In addition to providing meal another component has been added under the project i.e., Company's employees take class on general topic of interest on voluntary basis.
- **KHEL -** To promote e-learning in schools, the Company in partnership with IIT Kanpur has developed six modules on STEM subjects for class IV to VI. Under the same initiative in partnership with IIT Bombay robust content and process have been developed for ensuring zero malnourished case in Rajandgaon district, Chhattisgarh. The initiative is being implemented across 200 anganwadi centres in Rajanandgaon block. Over 80,000 children including mother will be benefitted.
- **Girl Child Education (Vidya Har Beti Ka Adhikar):** Improving learnings among students with focus on girl has been one of the focused areas under Education theme CSR projects. The project was implemented in all Circles by the Idea team. Under the project around 200 schools / institutions have been covered across country. The initiative is larger part of providing KHEL, KITAB and KHANA to the school students. Under the initiative basic infrastructure have been renovated, library, computer laboratory, smart class etc. have been refurnished, sports kit, provision for water facility etc. have been provided in schools with library facility. The initiative has improved the school learning environment.

**HEALTHCARE:**

The Company is also focusing on another important human development indicator - health. Its healthcare program addresses need of children and adults.

- **Healthcare Support to Deaf and Mute Children through Cochlear Implant:** The Company has supported 18 deaf-mute children to speak and hear through the cochlear implants. The project is under implementation from last two years. It is a life-changing experience for deaf and mute children. It has enabled children to move out from their world of silence to a world of sound. The initiative has also helped in creating awareness among people about the life changing surgery especially among the disadvantaged section of the society.
- **M-POWER:** Under this initiative, awareness about mental health among children and adolescents is being generated through counselling & guidance, organization of camps through voluntary organization in schools, colleges, play schools, hospitals. The project location is Mumbai and the outreach of the project is 1662 children and adolescents. In total 74 sessions were conducted across Mumbai.
- **School Based Educational Intervention Program for Reduction of Future Risks of Cardio-Vascular Diseases:** The Company in partnership with Mission Arogya Health and Information Technology raises awareness about cardio vascular diseases (CVD) among school going children, improve knowledge, perception, awareness and practices related to CVD and their risk factors. The initiative is under implementation from last two years. In the current year 4.8 lakh students have been benefitted in two districts East Medinapur and West Medinapur.
- **Village Social Health Entrepreneurs:** Under this initiative, Company in partnership with Public Health Technologies Trust create social health entrepreneurs. Local youths, ANM / ASHA workers, lab technicians etc. got trained and provided digital diagnostic device. They conduct diagnostic test at different community places including Public Health Centres (PHCs). The project is under implementation from two years. In FY 2017-18, the project covers 50 locations across 07 States (AP, Telangana, Haryana, Kerala, UP, Chhattisgarh and Bihar).

**WATER & SANITATION:**

- **Swachh Iconic Place, Somnath Temple Under Swachh Bharat Mission Program:** Under the initiative, the Company in partnership with the Ministry of Drinking Water & Sanitation, Gujarat Pavitra Yatradham Vikas Board, Somnath-Veraval Nagarpalika and Managing Committees of iconic sites is creating infrastructure and support infrastructure development and human resources to enhance cleanliness at Somnath Temple and on its peripheries and in the approach areas. They are creating awareness among the people about cleanliness. To improve sanitation facility in and around

temple complex, mobile toilets have been installed at key places like parking area, resting place etc. Battery operated sweeping machine, hydraulically operated heavy duty road sweeper machine, e-dustbin etc. have been installed to maintain cleanliness and hygiene in and around the temple. For proper drinking water facility water ATMs and RO have also been installed.

#### SUSTAINABLE LIVELIHOODS

- **Digital and Economic Empowerment of Women (Roshini):** The initiative is implemented by the Company's in-house CSR team. During the FY 2017-18, 600 women were trained to use internet on mobile phone for comprehensive services like healthcare, banking education etc. in Rajasthan, Madhya Pradesh and Bihar. The project has been underway since last two years.
- **Village Social Transformation Mission:** The initiative is in partnership with Village Social Transformation Foundation. The objective of the project is to transform 24 villages across 14 Gram Panchayats in Gadchiroli, Maharashtra district into model. The focus is on water security, livelihoods and higher productivity for the farmers, other Human Development Index (HDI) outcomes like Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR), education for children, livelihoods, digitization of villages etc. In all project villages, Gram Parivartak (Chief Minister Rural Development Fellow) have been placed and are providing handhold support to Panchayat functionaries for the holistic development of the village. They are preparing village development plan through larger consultation and are also preparing village inventory by visiting public institutions, schools and interaction with the people.
- **Greening India:** The initiative has two parts:
  - **Greening Bengaluru:** Under the initiative, 8,900 saplings have been planted in Bengaluru on the areas allocated by Municipal Corporation. The initiative aims to build more green spaces, purify polluted air, raise quality of life and improve urban environments and ecosystems.
  - **Plantation of Tree across River:** The initiative is in partnership with Isha Foundation of Sri Sadhguru. The initiative helped in river unification campaign across the country started in August 2017. The campaign is about plantation of trees across the rivers which increase the catchment area for river.

In addition to above-mentioned projects number of social activities like blood donation camp, plantation, Swacchta Abhiyan, book, computers and other times donation to schools and NGOs etc. were organized at the Circle level.

#### 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

**Ans:** The Company has a separate CSR function at Corporate level and also has Single Point of Contact (SPOC) in all 22 Circles. Some of

the project are implemented by in house team and some project by NGO/Institution and Government department. The Company's key Partners/ Collaborators are:-

1. IIT Bombay
2. IIT Kanpur
3. Akshaya Patra Foundation
4. Public Health Technologies Trust
5. Mission Arogya Health and Information Technology Research Foundation
6. ENT World LLP
7. Aditya Birla Educational Trust
8. Village Social Transformation Foundation

Employee engagement is one of the primary focuses under the CSR. During FY 2017-18 each circle implemented at least one project by their own. Employees also took classes / sessions in schools on topics relevant to children apart from general school syllabus. They visit the project locations and interact with beneficiaries and provide their inputs. Around 5000 employees participated in ongoing CSR projects and CSR plus initiatives across Circles. Circle Team does several activities like blood donation camps, tree plantation, visits to local NGOs etc. Employees participate in CSR events / programs / meetings organized in his / her respective areas. The Company also conducts employee surveys to understand the perception of employees on social issues. The Company provides opportunities to employees to contribute towards the worthy cause and be a part of the CSR drives. Employees participate in the nation-wide 'Joy of Giving Week' initiative. Idea Cellular engages with this cause and drives the Joy of Giving Week under the banner 'Daan Utsav Week'

The Company encourages high performing employees to work for two days in a year for CSR activity and it also encourages employees to carry out different initiatives for social cause in the areas where they operate.

The Company also engages with well-established and recognized programs and national platforms such as the CII, FICCI, ASSOCHAM etc. given their commitment to inclusive growth. Number of initiatives are undertaken at the unit level to participate in supporting various causes for underprivileged in our society.

#### 3. Have you done any impact assessment of your initiative?

**Ans:** In order to measure the impact of its CSR projects, all project partners conduct baseline and impact study of their project outcomes. Theme-wise details are as below:

##### Education

- e-Vidya Kendra set up under Vidya Har Beti Ka Adhikar project has enabled people and students to access offline contents related to education, health, livelihood, school syllabus, agriculture etc. on their smart mobile, tablet and computer within one Km radius from the place where server has been installed.

- 1.00 lakh children provided with solar lamps have been able to study during night. 39074 school children were provided Mid-day meal which has significantly reduced the dropout rate. Amongst them for 75% mid day meal was their first meal of the day.
- In more than 200 schools the learning environment has been improved with renovation of basic school infrastructure.

#### Healthcare

- 12 children between 1-10 year have been able to move from world of silence to world of sound through Cochlear implant.
- Around 4.8 lakh students and their parents have been made aware with the risks of cardio vascular diseases. Around 50 social health entrepreneurs have been created and are earning ₹ 2000/- month.
- Around 1600 children and youth have been made aware on the mental health related issue.

#### Sustainable Livelihood

- Solar factory set up at Dungarpur, Rajasthan is managed and owned by rural women. The factory has provided direct employment to 200 women and indirect employment to 500 people.
- Assembly, distribution and repair training of solar lamp has provided skill development and livelihood enhancement for more than 500 youth including women.
- 600 rural women are being provided digital literacy training. 30 rural women are doing retail business as entrepreneurship activity.

#### Environmental Benefits

- Solar lamp project has helped in reduction of kerosene consumption by 7.2 lakh ltr in a year. The net saving due to reduction in use of kerosene is ₹ 1.08 crore (720000 x 15) (approx. rate of kerosene per ltr at PDS).
- Green cover around Bengaluru has been increased with plantation of 8900 saplings.

#### 4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

**Ans:** For FY 2017-18, Company's CSR spend was around ₹ 199.43 Mn (₹ 175.99 Mn for FY 2017-18 projects and ₹ 23.44 Mn for FY 2016-17 carried over projects). In addition, the Company mobilized resources from The Ministry of New & Renewable Energy (MNRE), Government of India and select State Governments for Midday Meals and The Ministry of Health and Family Welfare for Polio Programme of Government of India.

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

**Ans:** Under all the CSR projects focus is on to empower the community so that the initiative could sustain and be taken forward. For example under the Solar lamp project the rural women have moved from assembling and distribution of solar lamp to manufacturing of solar equipment at Dungarpur, Rajasthan. The solar factory is owned and managed by the rural women.

Under the project social health entrepreneurs the local youth, ANM / ASHA workers, lab technicians etc. have been trained and provided hand hold support so that they could conduct the diagnostic test and earn their livelihood. Now the local community workers are doing diagnostic at different community places and also connecting with nearby PHC / doctor. The whole model has strengthened trust between community and our health initiative.

Idea believes the public services should be easily accessible to the community. In this regard, the company has set up e-Vidya Kendra under Vidya har Beti Ka Adhikar program. Through this initiative community is accessing contents related to education, health, livelihood, government schemes / programs, school syllabus, financial literacy etc. at any time. These contents are being accessed in offline mode on smartphone, tablet, laptop, computer etc. within the radius of one Km.

#### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Idea believes that Customers form the foundation of its business success. The company's focus on Customers is based on its Value Book, which highlights the need for timely response to its internal and external customers; strive to finish before a deadline and to choose the best rhythm to optimize organizational efficiencies.

To fulfill the Company's mission "We will delight our customers while meeting their individual communication needs anytime anywhere", it constantly endeavors to meeting customer needs, adding value and exceeding their expectations. The Company strongly believes in being ethical about its operations with customers. Hence, it engages with its customers in a transparent manner by displaying all the tariff plans on the web in an unambiguous manner. This information is easily accessible to customers either by telecom circle or by package. Idea addresses its customers' need to be constantly updated about their usage through instantaneous pop-up messages informing them about their data consumption and balance left. The Company also installs its network devices in a way that maintains data integrity, confidentiality and availability while preventing unauthorized use of confidential data.

Idea always focuses on meeting and exceeding customer needs. Some innovative initiatives in this regard include a quick and easy way of 'Electronic top-up' for recharging accounts, camps in rural areas for providing education on mobile, and provision of customer care services in vernacular languages. Idea has also introduced several value-added

services (VAS) focusing on education, health and family care for rural population. At urban locations, kiosks are set up at select Service Centers to create awareness about data (2G, 3G & 4G) services that the Company offers.

In order to service customers better and to bring in stronger governance in Store operations, concept of company owned company operated neighborhood stores was introduced. Currently, the Company has over 175 company operated large format stores across the country.

Customer satisfaction is of prime importance to the Company. A customer satisfaction (C-SAT) study is conducted thrice a year in order to track the quality of customer experience with company's product and services and to benchmark the company's performance with respect to its competitors.

Idea acknowledges the needs of data customers through conducting focused diagnostic study amongst these customers to understand and address their specific network, product, communication and service expectations. Idea's Loyalty segment customers too are covered through a similar program.

Idea also conducts other consumer satisfaction surveys such as 'Customer Life Cycle Experience Audits' and 'Mystery Audits at Service Centers' during the course of the year to get customer feedback and undertake corrective actions and initiatives.

With a view to inculcate high velocity feedback programs, Idea has also started an in-house call centre experience feedback program amongst its select Service+ segment customers, aimed at driving continuous and systemic improvements through regular feedback loops.

To reinforce customer centricity as a culture within the organization, the customer immersion program 'iConnect' was further strengthened to include participation from all functions across all circles.

In addition to this "Hello BOSSTOMER" - the Group wide 'Ideation' program for employees to improve customer experience was launched with great success. This program has seen Idea open-up the collective power of employee-led innovation to set the path for new customer centric thinking across the company. With the program generating more than 88% employee registrations and over 2,500 ideas, Idea Cellular has been the torch-bearer of this program across the Group.

Idea has an additional feedback taken from customers on a daily basis is Instant Customer Feedback (ICF) wherein, an SMS is sent to customers seeking feedback on the quality of service provided to him after he / she

has contacted any of the company's touch points. This on-going Instant feedback from customers helps in improving the company's processes. After the surveys are completed, the results are presented to the senior management team and detailed action plans are prepared specific to all the concerned functions. The same are tracked at periodic intervals to ensure that the execution meets the planning requirements leading to higher customer satisfaction.

#### SEBI – BRR Questionnaire Responses for Principle 9:

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

**Ans:** Out of the total calls received by the company from customers, approximately 0.65% are related to complaints. 0.85% of the total complaints received during FY 2018 were in an open stage as on March 31, 2018. The rest were closed satisfactorily.

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

**Ans:** The Company adheres to all product labeling and product information requirements as per the law of the land. Transparency in tariff through detailed plans being available on the website for consumers and focus on responsible advertising is the hallmark of Idea.

**3. *Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.***

**Ans:** There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anti- competitive behavior. However, dissatisfied subscribers of the Company generally file their cases in consumer protection forums for alleged deficiency in expected level of service by the Company, in the normal course of business, which the Company defends appropriately.

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

**Ans:** Idea conducts a C-SAT/NPS survey thrice a year as well as other assessment surveys such as '4G Studies', 'Customer Life Cycle Journey Experiential Mapping' and 'Mystery Audits at Service Centers'



## Independent Auditor's Report

To the Members of  
Idea Cellular Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Idea Cellular Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw your attention to Note 42 A) i of the standalone Ind AS financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our report is not qualified in respect of this matter.

### Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 13, 2017.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Prashant Singhal**

Partner

Membership Number: 93283

Place : Mumbai

Date : April 28, 2018

## Annexure 1 to the Independent Auditor's Report

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

Re: Idea Cellular Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the programme, a portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The Company is in the process of reconciling the physical verification results with the records maintained by the Company. However no material discrepancies were identified till the date of this report.
- (c) According to information and explanations given by the management and based on the examination of the financial statements/registered deed/transfer deed/conveyance deed/court approving scheme of arrangements, the title deeds of all land and buildings disclosed as property, plant and equipment are held in the name of the Company as at the balance sheet date. In respect of buildings that have been taken on lease and disclosed as property, plant and equipment, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained by the management, the management has conducted physical verification of inventory (other than inventory with third parties) at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to Telecommunication Services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other material statutory dues were outstanding, as at March 31, 2018 for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (₹ in Mn)
Income Tax Act ,1961	Income Tax	2009-10, 2010-11, 2012-13	Assistant Commissioner of Income Tax	2.44
Income Tax Act ,1961	Income Tax	2013-16	Deputy Commissioner of Income Tax	607.47
Income Tax Act ,1961	Income Tax	2002-2017	Commissioner of Income Tax (Appeals)	14,525.74
Income Tax Act ,1961	Income Tax	2002-06, 2007-15	Income Tax Appellate Tribunal	6,946.81
Income Tax Act ,1961	Income Tax	2002-03, 2008-12	High Court of Karnataka	115.55
Income Tax Act ,1961	Income Tax	2003-09	High Court of Andhra Pradesh	131.58
Income Tax Act ,1961	Income Tax	2006-09	Madhya Pradesh High Court	129.80
Income Tax Act ,1961	Income Tax	2006-12	Rajasthan High Court	85.05
Income Tax Act ,1961	Income Tax	2002-04	Supreme Court	9.47
Income Tax Act ,1961	Income Tax	2007-10	High Court of Gujarat	30.73
Income Tax Act ,1961	Income Tax	2006-07 to 2010-11	Bombay High Court	234.36
The Finance Act, 1994 (Service Tax provisions)	Service Tax	10.09.2004 to 30.09.2008	High Court of Andhra Pradesh	25.15
The Finance Act, 1994 (Service Tax provisions)	Service Tax	2003-15	Customs Excise & Service Tax Appellate Tribunal	2,837.81
The Finance Act, 1994 (Service Tax provisions)	Service Tax	2004-Upto 2008 Dec, 2014-2016	High Court, Mumbai	15.06
The Finance Act, 1994 (Service Tax provisions)	Service Tax	Oct-98 to Mar-99, Apr-02 to Sep-02, 2004-08	Punjab & Haryana High Court	36.46
The Finance Act, 1994 (Service Tax provisions)	Service Tax	2004-08	Commissioner of Central Excise & Service Tax	44.00
The Finance Act, 1994 (Service Tax provisions)	Service Tax	Apr-99 to Mar-2001, Apr-2003 to Sep-2003, 2005-07	Commissioner of Central Excise & Service Tax (Appeals)	3.84
The Finance Act, 1994 (Service Tax provisions)	Service Tax	2007-09	Supreme Court of India	285.92
Bombay sales tax Act 1959	Sales Tax	2000-01	Sales tax Tribunal	43.90
Central Sales Tax Act, 1956	Sales Tax	2007-08, 2010-11	Joint Commissioner (Appeals)	41.35
Central Sales Tax Act, 1956	Sales Tax	2013-14, 2015-16	Assistant Commissioner Sales Tax	1.04
Central Sales Tax Act, 1956	Sales Tax	2008-09	Deputy Commissioner of Sales Tax	3.92
Delhi Sales Tax Act, 1975	Sales Tax	2002-03	Additional Commissioner (Appeals)	1.86
Gujarat Sales Tax Act, 1969	Sales Tax	1998-02	State Tax Tribunal	8.83
Gujarat Sales Tax Act, 1969	Sales Tax	Apr 06 to Dec 06	Assessing Officer	1.04
Kerala Sales tax Act, 1963	Sales Tax	1997-98	State Tax Tribunal	0.05
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	2000-01	CG Appellate Board	0.48
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2003-06, 2007-09, 2010-12	Joint Commissioner (Appeals)	3.11
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2006-08	State Tax Tribunal	0.69
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	2008-09, 2009-10, 2011-12, 2013-14, 2017-18	Deputy Commissioner of Sales Tax	21.02

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where Dispute is Pending	Amount Involved (₹ in Mn)
Central Sales Tax Act, 1956	Sales Tax	2011-12	Sales Tax Tribunal	33.87
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	2004-05	Deputy Commissioner of Sales Tax	1.86
Uttar Pradesh Trade Tax Act, 1948 (UTTRAKHAND AMENDEMENT)	Sales Tax	2009-10	Deputy Commissioner of Sales Tax	0.07
Kerala Sales tax Act, 1963	Sales Tax	1998-99	Deputy Commissioner, Sales Tax	0.06
Uttar Pradesh Goods and Service Tax Act, 2017	GST	2017-18	Additional Commissioner (Appeals) GST	0.79
Delhi Value Added Tax Act, 2004	Value Added Tax	2007-08	State Tax Tribunal	14.05
Kerala VAT Act, 2003	Value Added Tax	2012-13, 2014-15, 2015-16	Deputy Commissioner Commercial Tax (Appeals)	0.14
Kerala VAT Act, 2003	Value Added Tax	2011-12	Deputy Commissioner Appeals	0.45
Kerala VAT Act, 2003	Value Added Tax	2011-12	Kerala High Court	81.78
Kerala VAT Act, 2003	Value Added Tax	2011-12, 2016-17	Assistant Commissioner Sales Tax	1.57
Kerala VAT Act, 2003	Value Added Tax	2011-12	Commercial Tax Officer	0.11
Maharashtra Value Added Tax Act, 2002	Value Added Tax	2008-09, 2011-12	Joint Commissioner (Appeals)	323.58
Rajasthan Value Added Tax, 2003	Value Added Tax	2011-12, 2013-14	Assistant Commissioner Sales Tax	11.64
The Bihar Value Added Tax Act, 2005	Value Added Tax	2008-15	State Tax Tribunal	40.70
The Bihar Value Added Tax Act, 2005	Value Added Tax	2015-17	Joint Commissioner (Appeals)	22.22
Uttar Pradesh Value Added Act, 2008	Value Added Tax	2006-07	Deputy Commissioner of Sales Tax	0.74
Uttar Pradesh Value Added Act, 2008	Value Added Tax	2007-2008	High Court Allahabad	0.71
Uttar Pradesh Value Added Act, 2008	Value Added Tax	2011-2012, 2013-2014, 2017-2018	Additional Commissioner (Appeals)	8.40
Kerala VAT Act, 2003	Value Added Tax	2009-10	State Tax Tribunal	0.48
Kerala VAT Act, 2003	Value Added Tax	2016-17	Assessing Officer	0.35
West Bengal Value Added Tax Act, 2003	Value Added Tax	2017-2018	State Tax Tribunal	1.33
The Bihar Value Added Tax Act, 2005	Value Added Tax	2016-17	Commissioner Commercial Taxes Bihar	1.36
Custom Act, 1962	Custom Duty	2003-04, Dec 2009 to Jun 2014	Customs Excise & Service Tax Appellate Tribunal	186.17
<b>Total</b>				<b>26,926.99</b>



The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote. Of the above cases, total amount deposited in respect of Income Tax is ₹ 5,719.78 Mn, Service Tax is ₹ 416.35 Mn, Sales Tax and Value Added Tax is ₹ 68.75 Mn and Custom Duty is ₹ 47.01 Mn.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions, banks, debenture holders or government.
- (ix) During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that during the current year, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. During the previous year, the Company has paid/accrued remuneration amounting to ₹ 100.46 million to its Managing Director, Mr. Himanshu Kapania out of which ₹ 28.31 Mn was in excess of the limits specified in section 197 of Companies Act, 2013 read with Schedule V thereto which is now regularised by obtaining the waiver letter from Ministry of Corporate Affairs dated March 17, 2018.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements

and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given by the management the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment and Qualified Institutions Placement of equity shares of ₹ 67,500 Mn during the year. According to the information and explanations given by the management, we report that amount so raised of ₹ 67,500 Mn have been initially kept / invested in current account / liquid investments out of which ₹ 28,495 Mn have been utilised for the purposes for which the funds were raised and balance of ₹ 39,005 Mn remains utilised in liquid investments / current account as at March 31, 2018 which is payable on demand. During the year, the Company has not raised moneys by private placements of convertible debentures.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Prashant Singhal**

Partner

Membership Number: 93283

Place : Mumbai

Date : April 28, 2018

## Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Idea Cellular Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Idea Cellular Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 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 Company's internal financial controls over financial reporting 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### 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, the Company has, 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 internal control over financial reporting criteria established by the Company 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.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### Prashant Singhal

Partner

Membership Number: 93283

Place : Mumbai

Date : April 28, 2018

## Balance Sheet as at March 31, 2018

Particulars	Notes	₹ Mn	
		As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	244,542.77	221,885.23
Capital work-in-progress		6,512.98	13,243.96
Intangible assets	8	552,536.48	539,364.60
Intangible assets under development	8	29,339.89	62,048.00
Financial assets			
Non-current investments	9	18,582.91	22,265.98
Long term loans to employees		24.00	25.82
Other non-current financial assets	10	4,181.81	5,079.07
Deferred tax assets (net) (refer note 56)		8,219.57	-
Other non-current assets	11	17,744.17	27,497.41
<b>Total non-current assets (A)</b>		<b>881,684.58</b>	<b>891,410.07</b>
<b>Current assets</b>			
Inventories	12	338.59	542.10
Financial assets			
Current investments	13	45,278.53	40,247.09
Trade receivables	14	8,873.84	12,580.95
Cash and cash equivalents	15	189.86	268.60
Bank balance other than cash and cash equivalents	16	32.57	44.05
Current portion of loans to employees		20.16	20.60
Other current financial assets	17	312.90	402.88
Current tax assets		7,750.41	-
Other current assets	18	17,883.87	12,091.71
<b>Total current assets (B)</b>		<b>80,680.73</b>	<b>66,197.98</b>
<b>Non-current assets classified as held for sale (AHFS) (refer note 40 (i)) (C)</b>	19	<b>4,865.08</b>	<b>16.11</b>
<b>Total Assets (A+B+C)</b>		<b>967,230.39</b>	<b>957,624.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	43,593.21	36,053.28
Other equity	21	213,101.87	201,184.31
<b>Total equity (A)</b>		<b>256,695.08</b>	<b>237,237.59</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Long term borrowings	22	569,408.00	516,378.28
Other non-current financial liabilities	23	26,061.68	10,034.35
Long term provisions	24	3,080.22	3,311.00
Deferred tax liabilities (net) (refer note 56)		-	16,791.07
Other non-current liabilities	25	5,601.19	4,907.44
<b>Total non-current liabilities (B)</b>		<b>604,151.09</b>	<b>551,422.14</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	26	216.94	336.50
Trade payables (refer note 48 & 58)		35,604.58	39,921.33
Other current financial liabilities	27	43,819.87	102,294.52
Other current liabilities	28	26,525.22	26,250.36
Short term provisions	29	217.61	161.72
<b>Total current liabilities (C)</b>		<b>106,384.22</b>	<b>168,964.43</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>967,230.39</b>	<b>957,624.16</b>

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2018

₹ Mn			
Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Service revenue		278,000.32	352,565.12
Other operating income	30	286.12	221.34
<b>Revenue from operations</b>		<b>278,286.44</b>	<b>352,786.46</b>
Other income	31	2,981.56	1,970.25
<b>Total Income</b>		<b>281,268.00</b>	<b>354,756.71</b>
<b>OPERATING EXPENDITURE</b>			
Employee benefit expenses	32	13,968.10	16,256.38
Network expenses and IT outsourcing cost	33	97,449.39	101,812.93
License fees and spectrum usage charges	34	28,667.17	40,514.83
Roaming and access charges	35	35,357.85	42,754.44
Subscriber acquisition and servicing expenditure	36	29,151.13	31,441.66
Advertisement, business promotion expenditure and content cost	37	8,147.07	9,389.63
Other expenses	38	9,087.65	9,996.63
		221,828.36	252,166.50
<b>PROFIT BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION AND TAX</b>		<b>59,439.64</b>	<b>102,590.21</b>
Finance costs	39	49,245.30	39,780.07
Depreciation	7	49,688.09	48,642.82
Amortisation	8	33,473.08	28,357.35
<b>LOSS BEFORE TAX</b>		<b>(72,966.83)</b>	<b>(14,190.03)</b>
Tax expense:			
- Deferred tax	55	(25,159.00)	(5,879.28)
<b>LOSS AFTER TAX</b>		<b>(47,807.83)</b>	<b>(8,310.75)</b>
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/ (losses) of defined benefit plans	52	428.68	(49.49)
Income tax effect	55	(148.36)	17.13
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>280.32</b>	<b>(32.36)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(47,527.51)</b>	<b>(8,343.11)</b>
<b>Earnings per equity share of ₹ 10 each:</b>	57		
Basic (₹)		(12.95)	(2.31)
Diluted (₹)		(12.95)	(2.31)
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary

## Statement of Changes in Equity for the year ended March 31, 2018

### A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	₹ Mn
As at April 1, 2016	3,600,509,378	36,005.09
Issue of shares under Employee Stock Option Scheme (ESOS)	4,818,853	48.19
As at March 31, 2017	3,605,328,231	36,053.28
Issue of shares under Employee Stock Option Scheme (ESOS)	3,117,110	31.18
Preferential allotment of equity shares (refer note 40 (iv))	326,633,165	3,266.33
Allotment of equity shares under Qualified Institutional Placement (QIP) (refer note 40 (v))	424,242,424	4,242.42
As at March 31, 2018	4,359,320,930	43,593.21

### B. OTHER EQUITY:

Particulars	Reserves and Surplus					Total
	Debenture redemption reserve	Securities premium	Employee stock options reserve	General reserve	Retained earnings	
As at April 1, 2016	483.21	103,837.69	1,352.29	20,863.21	85,110.48	211,646.88
Loss for the year					(8,310.75)	(8,310.75)
Other comprehensive loss for the year					(32.36)	(32.36)
<b>Total comprehensive income</b>					<b>76,767.37</b>	
Dividend					(2,160.62)	(2,160.62)
Dividend distribution tax					(439.85)	(439.85)
Issue of share under ESOS		48.66				48.66
Transfer from retained earnings	833.72				(833.72)	-
Share-based payment expenses (refer note 51)*			432.35			432.35
Transfer to Securities premium account on exercise of options		443.32	(443.32)	-		-
As at March 31, 2017	1,316.93	104,329.67	1,341.32	20,863.21	73,333.18	201,184.31
Loss for the year					(47,807.83)	(47,807.83)
Other comprehensive income for the year					280.32	280.32
<b>Total comprehensive income</b>					<b>25,805.67</b>	
Issue of share under ESOS		27.10				27.10
Preferential allotment of equity shares (refer note 40 (iv)) (Net of share issue expenses of ₹ 34.84 Mn)		29,198.83				29,198.83
Allotment of equity shares under Qualified Institutional Placement (QIP)(refer note 40 (v)) (Net of share issue expenses of ₹ 309.44 Mn)		30,448.13				30,448.13
Transfer from retained earnings	3,090.96				(3,090.96)	-
Share-based payment expenses* (refer note 51)*			(228.99)			(228.99)
Transfer to Securities premium account on exercise of options		310.36	(310.36)			-
As at March 31, 2018	4,407.89	164,314.09	801.97	20,863.21	22,714.71	213,101.87

\*The charge for the year is net of reversal on account of cancellation of unvested options.

\*Includes amount settled/to be settled by subsidiaries for options granted to their employees.

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singh  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary



## Statement of Cash Flows for the year ended March 31, 2018

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A) Cash Flow from Operating Activities</b>		
Loss before Tax	(72,966.83)	(14,190.03)
<b>Adjustments For :</b>		
Depreciation	49,688.09	48,642.82
Amortisation	33,473.08	28,357.35
Gain on disposal of property, plant & equipment & intangible assets	(148.90)	(150.65)
Finance costs	49,245.30	39,780.07
Other Income	(2,981.56)	(1,970.25)
Bad debts / advances written off	53.31	99.77
Allowance for doubtful debts / advances	1,493.36	1,868.10
Share based payment expense (ESOS)	(223.96)	425.05
Provision for gratuity and compensated absences	236.55	310.58
Liabilities / provisions no longer required written back	(197.66)	(145.90)
	130,637.61	117,216.94
<b>Operating Profit before Working Capital Changes</b>	<b>57,670.78</b>	<b>103,026.91</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade receivables	2,189.32	(3,526.03)
(Increase)/Decrease in Inventories	203.51	309.36
(Increase)/Decrease in Other financial and non financial assets	(1,486.83)	(5,148.39)
Increase / (Decrease) in Trade Payables	(4,591.70)	8,728.60
Increase / (Decrease) in Other financial & non financial liabilities	848.47	3,891.78
	(2,837.23)	4,255.32
<b>Cash generated from Operations</b>	<b>54,833.55</b>	<b>107,282.23</b>
Income Tax paid (including TDS) (net)	(2,980.07)	(5,883.12)
<b>Net Cash generated from Operating Activities (A)</b>	<b>51,853.48</b>	<b>101,399.11</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of property, plant & equipment and Intangible assets (including CWIP)	(86,040.47)	(52,777.46)
Payment towards Spectrum and Licenses - Upfront payment	-	(66,207.00)
Payment towards Spectrum and Licenses - Deferred payment liability	-	(7,181.60)
Proceeds from sale of Property, plant & equipment and Intangible assets	363.62	356.85
Investment in Idea Mobile Commerce Services Limited	-	(601.00)
Investment in Aditya Birla Idea Payments Bank Limited (including advance given for purchase of shares)*	(991.49)	(173.70)
Net proceeds from sale / (purchase) of Current Investment	(4,116.59)	(30,072.62)
Interest received	9.93	61.05
<b>Net Cash flows from/(used) in Investing Activities (B)</b>	<b>(90,775.00)</b>	<b>(156,595.48)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital under ESOS	58.28	96.85
Proceeds from allotment of equity shares under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309.44 Mn) (refer note 40 (v))	34,690.55	-
Proceeds from Preferential allotment of equity shares (Net of share issue expenses of ₹ 34.84 Mn) (refer note 40 (iv))	32,465.16	-
Proceeds from Long Term Borrowing	44,950.00	115,155.79
Repayment of Long Term Borrowings	(18,015.22)	(15,859.04)
Net Proceeds / (Repayment) of Short Term Borrowings	-	(15,000.00)
Payment of Dividend, including Dividend Distribution Tax	(0.02)	(2,598.89)
Payment of Interest and Finance Charges*	(55,186.41)	(32,725.88)
<b>Net Cash flows from/(used) in Financing Activities (C)</b>	<b>38,962.34</b>	<b>49,068.83</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents during the year (A+B+C)</b>	<b>40.82</b>	<b>(6,127.54)</b>
Cash and Cash Equivalents at the beginning of the year	(67.90)	6,059.64
<b>Cash and Cash Equivalents at the end of the year</b>	<b>(27.08)</b>	<b>(67.90)</b>

(\*) excludes value of shares allotted on merger of IMCSL, being non-cash transaction.

(\*) includes interest payment on deferred payment liabilities forming part of long term borrowings.

## Statement of Cash Flows for the year ended March 31, 2018

### Notes to Statement of Cash Flows for the year ended March 31, 2018

#### 1. Cash and Cash Equivalents include the following Balance Sheet amounts ₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash on hand	9.80	8.93
Cheques on hand	28.18	63.59
Balances with banks in Current Accounts	151.88	196.08
<b>Subtotal</b>	<b>189.86</b>	<b>268.60</b>
Bank overdrafts which forms an integral part of cash management (disclosed under short term borrowings in Balance sheet)	(216.94)	(336.50)
	<b>(27.08)</b>	<b>(67.90)</b>

#### 2. Disclosure of changes in liabilities arising from financing activities on account of non-cash transactions ₹ Mn

Particulars	Long term Borrowings including current maturities	Changes in Derivative Assets / Liabilities	Interest accrued but not due
<b>Balance as at April 1, 2017</b>	<b>550,198.46</b>	<b>1,884.65</b>	<b>28,551.02</b>
(i) Cash Flows items			
Net proceed / (repayment) of borrowings	26,934.78	-	-
Payment of Interest & Finance Charges	(22,403.00)	(1,759.13)	(31,024.28)
(ii) Non - Cash items			
Foreign exchange (gain) / loss	81.12	-	(81.12)
Accrued interest on sub-judice matters	-	-	(472.61)
Finance Cost accrued (charged to Profit and Loss / capitalised)	-	(41.30)	52,487.22
Upfront fees amortisation	524.30	-	(524.30)
Interest on ARO	-	-	(9.19)
Deferred payment liability for spectrum on allotment of Spectrum	3,180.00	-	-
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	21,118.71	-	(21,118.71)
<b>Balance as at March 31, 2018</b>	<b>579,634.37</b>	<b>84.22</b>	<b>27,808.03</b>

#### 3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows

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

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary

## Notes forming part of the Financial Statements

### 1. CORPORATE INFORMATION

Idea Cellular Limited ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. It is a part of the Aditya Birla Group and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code BSE:532822; NSE:IDEA). The Company is amongst the top three telecom service providers in India with pan India operations. It is engaged in the business of Mobility and Long Distance services.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on April 28, 2018.

### 2. STATEMENT OF COMPLIANCE

The financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 3. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to the nearest two decimals of Million unless otherwise stated.

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.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### a) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured, regardless of the timing of receipt of payment. Revenue is measured at fair value of the consideration received or receivable and is reduced for rebates and other similar allowances. Taxes and duties collected by the seller / service provider are to be deposited with the government and not received by the Company on its own account. Accordingly, it is excluded from revenue. The Company evaluates its exposure to significant risks and reward associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard.

#### i. Service Revenue

Revenue on account of telephony services (postpaid and prepaid categories, roaming, interconnect and long distance services) is recognised on rendering of services. Rental revenues in the postpaid category are recognised over the period of rendering of services. Recharge fees on recharge vouchers in case of prepaid category is recognised over the validity of such vouchers.

Revenue from other services (internet services, Mobile advertisement, revenue from toll free services, etc.) is recognised on rendering of services.

#### Multiple element contracts

For revenue arrangements having more than one deliverable, at the inception of the arrangement, the Company evaluates all deliverables in the arrangement to determine whether they represent separately identifiable components. Deliverables are considered for separate components if the following two conditions are met: (i) the deliverable has value to the customer on a stand-alone basis and (ii) there is evidence of the fair value of the item. The total arrangement consideration is allocated to each separate component based on its relative fair value.

#### ii. Indefeasible Right to Use (IRU)

The Company enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets.

The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

#### iii. Unbilled Income

Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

#### iv. Advance from Customers and Deferred Revenue

Advance from customers / deferred revenue represents amount received / billed in advance for which services have not been rendered up to the period end date.

#### v. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### vi. Dividends

Dividend Income is recognised when the Company's right to receive the payment is established.

#### b) Leases

The Company evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards

## Notes forming part of the Financial Statements

of ownership to the lessee. All other leases are classified as operating leases.

### i. Company as a lessee

#### Finance lease

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Such assets are depreciated / amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

#### Operating lease

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### ii. Company as a lessor

#### Finance lease

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Operating lease

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

### c) Employee benefits

#### i. Defined Contribution Plan

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

The Company has no obligation other than contribution payable to these funds.

#### ii. Defined Benefit Plan

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund with the Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs; and
- Net interest expense or income

#### iii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Statements of Profit and Loss in the period in which they arise.

#### iv. Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest,

## Notes forming part of the Financial Statements

with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. In respect of any cancellation of stock options, the amount already charged as share based payment expense is reversed under the same head in the Statement of Profit and Loss.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

### d) Annual Revenue Share License Fees – and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed at prescribed rates of revenue share, are charged to the Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprise of adjusted gross revenue as per the license agreement of the licensed service area.

### e) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within finance cost in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense 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 Company are disclosed as exceptional items in the Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### h) Current / Non – Current Classification

An asset is classified as current when

- It is expected to be realized or consumed in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

- It is expected to be settled in the normal operating cycle of the Company;
- It is held primarily for the purposes of trading;
- It is expected to be settled within twelve months after the reporting period; or
- The Company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as non-current.



## Notes forming part of the Financial Statements

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of property, plant and equipment, non-refundable duties and borrowing cost relating to qualifying assets. In line with the transitional provisions, exchange differences on all foreign currency borrowings taken on or before March 31, 2016 are continued to be capitalized under PPE. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provision are met.

Freehold Land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 13
Optical Fibre	15
Other Plant and Equipment	2 to 5
Office Equipments	3 to 5
Computers	3
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded / replaced part is

derecognized. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

### j) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of spectrum and licenses is amortised on straight line method from the date when the related network is ready for use over the unexpired period of the license/ spectrum.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management between 3 to 5 years.
- Payment for Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and the cost is amortised over the period of the agreement ranging from 10 to 20 years.

Cost of Intangible Assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Company and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets), if any, for which network is not yet ready.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### k) Non – Current Assets Held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through

## Notes forming part of the Financial Statements

a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation 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.

### l) Impairment of Non – Financial Assets

Tangible and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, an appropriate valuation model is used. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised in Statement of Profit and Loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.

For assets excluding goodwill, impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's (or a cash-generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

### m) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of such asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

### n) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### o) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### p) Non-current Investments in subsidiaries and associates

The Company recognises its investment in subsidiaries, joint ventures and associates at cost less any impairment losses, if any.

### q) Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

#### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial

## Notes forming part of the Financial Statements

assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.

### I. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans, etc.

### II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay

the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- the Company has transferred substantially all the risks and rewards of the asset; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on debt instruments and other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables (including lease receivables). The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are

## Notes forming part of the Financial Statements

derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

In case, an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### iii. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a

specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments.

### iv. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### r) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances that caused the transfer or (b) at the end of each reporting period or (c) at the beginning of each reporting period.



## Notes forming part of the Financial Statements

### s) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend it is recognised when it is approved by the Board of Directors. A corresponding amount is accordingly recognised directly in equity.

### t) Earnings per share

The earnings considered in ascertaining the Company's Earnings per share (EPS) is the net profit / loss after tax.

EPS is disclosed on basic and diluted basis. Basic EPS is computed by dividing the profit / loss for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

### u) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Company has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

#### ii. Contingent Liabilities

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised.

### v) Business Combinations

Business Combinations are accounted for using Ind AS 103 Business Combination. Acquisitions of businesses are accounted for using the

acquisition method unless the transaction is between entities under common control. Acquisition related costs are recognized in the Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration, after reassessment of fair value of net assets acquired, is recognised as capital reserve.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustments are made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonize accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

## 5. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Estimate and Assumptions:

#### i. Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the



## Notes forming part of the Financial Statements

share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 51.

### ii. Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. Significant management judgment 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 together with future tax planning strategies.

MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period. Further details about taxes refer note 55 and 56.

### iii. Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 52(A).

### iv. Allowance for Trade receivable

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

### v. Useful life of Property, Plant and Equipment

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in Note 7.

### vi. Impairment of Non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is calculated in order to determine the extent of the impairment loss (if any). The recoverable amount is the fair value less costs of disposal calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash-inflows and the growth rate.

### vii. Provision for decommissioning

In measuring the provision for ARO, the Group uses technical estimates to determine the discount rates, expected cost to dismantle and remove the infrastructure equipment from the site, and the expected timing of these costs. Discount rates are determined based on the risk adjusted pre-tax rate of a similar period liability which is currently estimated at 10%. The Group calculates the provision using the DCF method based on the weighted average estimated future cost. Refer Note 50 for further details on ARO.

### viii. Operating lease commitments – Company as lessee

The Company has entered into lease agreements for properties and cell sites. The classification of the leasing arrangement as a finance lease or operating lease is based on the evaluation of several factors including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated

## Notes forming part of the Financial Statements

certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. Lease arrangements where the significant risks and rewards related to properties and cell sites are retained with the lessor, are accounted for as operating leases. Refer note 44(a) for further details about operating lease.

### ix. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluation of uncertain provisions and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer Note 42 for further details about Contingent Liabilities.

### 6. STANDARDS ISSUED OR MODIFIED BUT NOT YET EFFECTIVE UP TO THE DATE OF ISSUANCE OF THE COMPANY'S FINANCIAL STATEMENTS

The standards and the amendments to standards that are issued, but not yet effective up to the date of issuance of Company's financial statements are discussed below. The Company intends to adopt these standards, if applicable, when they became effective. All these standards / amendments have been notified on March 28, 2018 and are effective from April 1, 2018.

#### a) Ind AS 115 Revenue from contracts with Customers

Ind AS 115 'Revenue from Contracts with Customers' supersedes all existing revenue recognition requirements under Ind AS 18. This standard is based on the principle that revenue is recognised when control of a good or service is transferred to the customer. The notion of control replaces the existing notion of risk and rewards. It requires the Company to identify deliverables in contracts with customers that qualify as "performance obligations". The transaction price receivable from customers must be allocated between the Company's performance obligations under the contracts on a relative stand-alone selling price basis.

Certain incremental costs incurred for obtaining customer contracts will have to be deferred on the Balance Sheet under Ind AS 115 and recognised over the customer relationship period. This may lead to the deferred recognition of charges for incremental costs, if any, over the customer relationship period.

The standard permits full retrospective application (with or without optional practical expedient) or through a cumulative effect adjustment as on the start of the first period for which the standard is applied (i.e. April 1, 2018). The Company is currently assessing the impact of the application of Ind AS 115 on the financial statements of the Company.

#### b) Amendment to Ind AS 40 'Investment Property'

The amendment clarifies the principles regarding when a Company should transfer asset to / from Investment property. The transfer can be done when and only when:

- i. There is an actual change of use, i.e., an asset meets or ceases to meet the definition of investment property.
- ii. There is evidence of the change in use.

This amendment has no impact on the Company's Statement of Profit and Loss and Balance Sheet.

#### c) Amendment to Ind AS 21 'Effects of Changes in Foreign Exchange Rates'

Under current Ind AS, foreign currency transactions are recorded in the Company's functional currency by applying the spot exchange rate on the date of transaction. The amendment clarifies the date of transaction in case of foreign currency consideration paid / received in advance as the earlier of:

- i. Date of initial recognition of such advance; or
- ii. Date that the related item is recognised in the financial statements.

This amendment has no impact on the Company's Statement of Profit and Loss and Balance Sheet.

#### d) Amendment to Ind AS 112 'Disclosure of Interests in Other Entities'

The amendment clarifies that disclosure requirements for interests in other entities also applies to the interests that are classified as held for sale or as discontinued operations.

#### e) Amendment to Ind AS 12 'Income Taxes'

The amendment to Ind AS 12 explains that determining temporary difference and estimating probable future taxable profit against which deductible temporary difference are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determination of temporary differences.

The amendment considers that:

- i. Tax law determines which deductions are offset against taxable income in determining taxable profits.
- ii. No deferred tax is recognized if the reversal of the deductible temporary difference will not lead to tax deductions.

This amendment has no significant impact on the Company's Statement of Profit and Loss and Balance Sheet.

#### f) Amendment to Ind AS 28 'Investments in Associates and Joint Ventures'

The amendment clarifies that a venture capital organization, or mutual fund, or unit trust and similar entities may elect, at initial recognition, to measure investments in associate or joint venture at FVTPL separately for each associate or joint venture.

Also, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method.

This amendment is not applicable to the Company.

## Notes forming part of the Financial Statements

	₹ Mn							
Particulars	Freehold land	Buildings	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>								
<b>Cost</b>								
As at April 1, 2016	116.05	699.31	183.53	254,282.24	456.13	508.68	853.04	257,098.98
Additions	-	-	41.92	64,475.06	502.76	307.79	594.46	65,921.99
Disposals/Adjustments (including assets held for sale)	-	157.79	-	(318.73)	(8.42)	(2.10)	(131.15)	(302.61)
Transfer to wholly owned Subsidiary	-	(1.20)	-	(7,054.50)	(0.12)	(4.94)	(10.82)	(7,071.58)
<b>As at March 31, 2017</b>	<b>116.05</b>	<b>855.90</b>	<b>225.45</b>	<b>311,384.07</b>	<b>950.35</b>	<b>809.43</b>	<b>1,305.53</b>	<b>315,646.78</b>
Additions	-	-	0.04	71,650.93	29.55	188.22	678.92	72,547.65
Disposals	-	-	(1.70)	(697.12)	(17.62)	(1.56)	(182.22)	(900.22)
<b>As at March 31, 2018</b>	<b>116.05</b>	<b>855.90</b>	<b>223.79</b>	<b>382,337.88</b>	<b>962.28</b>	<b>996.09</b>	<b>1,802.23</b>	<b>387,294.22</b>
<b>Accumulated Depreciation</b>								
As at April 1, 2016	-	66.84	34.18	46,833.26	89.35	153.22	288.50	47,465.35
Depreciation charge for the year	-	52.49	26.99	47,940.97	110.04	186.28	326.06	48,642.83
Disposals/Adjustments (including assets held for sale)	-	20.59	-	(196.86)	(7.15)	(1.37)	(92.71)	(277.50)
Transfer to wholly owned Subsidiary	-	(0.09)	-	(2,063.03)	(0.11)	(1.71)	(4.19)	(2,069.13)
<b>As at March 31, 2017</b>	<b>-</b>	<b>139.83</b>	<b>61.17</b>	<b>92,514.34</b>	<b>192.13</b>	<b>336.42</b>	<b>517.66</b>	<b>93,761.55</b>
Depreciation charge for the year	-	31.49	34.33	48,907.13	150.13	197.34	367.68	49,688.09
Disposals	-	-	(1.51)	(556.80)	(3.18)	(1.37)	(135.34)	(698.20)
<b>As at March 31, 2018</b>	<b>-</b>	<b>171.32</b>	<b>93.99</b>	<b>140,864.67</b>	<b>339.08</b>	<b>532.39</b>	<b>750.00</b>	<b>142,751.44</b>
<b>Net Book Value</b>								
As at March 31, 2018	116.05	684.59	129.80	241,473.21	623.20	463.70	1,052.23	244,542.78
As at March 31, 2017	116.05	716.07	164.28	218,869.73	758.22	473.01	787.87	221,885.23
As at April 1, 2016	116.05	632.47	149.35	207,448.98	366.78	355.46	564.54	209,633.63

## Footnotes:

- Plant and machinery includes gross block of assets capitalised under finance lease ₹ 11,859.18 Mn (March 31, 2017: ₹ 9,880.58 Mn) and corresponding accumulated depreciation being ₹ 8,430.64 Mn (March 31, 2017: ₹ 5,918.69 Mn). Additions in plant and machinery during the year includes gross block of assets capitalised under finance lease ₹ 2,060.53 Mn and corresponding accumulated depreciation being ₹ 228.09 Mn.
- For assets pledged as securities refer note 22(a).
- Foreign exchange gain (net) amounting to ₹ 191.57 Mn (March 31, 2017: ₹ 661.69 Mn) decapitalised during the year.

## Notes forming part of the Financial Statements

₹ Mn				
Particulars	Entry / license fees and spectrum	Computer-Software	Bandwidth	Total
<b>8 INTANGIBLE ASSETS</b>				
<b>Cost</b>				
As at April 1, 2016	442,873.45	2,559.63	8,544.96	453,978.04
Additions	123,185.23	1,583.53	2,872.97	127,641.73
Retirement of expired licenses	(417.43)	-	-	(417.43)
<b>As at March 31, 2017</b>	<b>565,641.25</b>	<b>4,143.16</b>	<b>11,417.93</b>	<b>581,202.34</b>
Additions	42,592.95	1,014.75	3,037.26	46,644.96
<b>As at March 31, 2018</b>	<b>608,234.20</b>	<b>5,157.91</b>	<b>14,455.19</b>	<b>627,847.30</b>
<b>Accumulated Amortisation</b>				
As at April 1, 2016	12,526.15	728.11	644.43	13,898.69
Amortisation charge for the year	26,446.21	1,110.58	800.56	28,357.35
Retirement of expired licenses	(418.30)	-	-	(418.30)
<b>As at March 31, 2017</b>	<b>38,554.06</b>	<b>1,838.69</b>	<b>1,444.99</b>	<b>41,837.74</b>
Amortisation charge for the year	31,074.85	1,404.30	993.93	33,473.08
<b>As at March 31, 2018</b>	<b>69,628.91</b>	<b>3,242.99</b>	<b>2,438.92</b>	<b>75,310.82</b>
<b>Net Book Value</b>				
As at March 31, 2018	538,605.29	1,914.92	12,016.27	552,536.48
As at March 31, 2017	527,087.19	2,304.47	9,972.94	539,364.60
As at April 1, 2016	430,347.30	1,831.52	7,900.53	440,079.35

## Footnotes:

- Computer - software includes gross block of assets capitalised under finance lease ₹ 3,795.11 Mn (March 31, 2017: ₹ 2,932.09 Mn) and corresponding accumulated amortisation being ₹ 2,363.23 Mn (March 31, 2017 : ₹ 1,289.50 Mn). Additions in computer - software during the year includes gross block of assets capitalised under finance lease ₹ 863.02 Mn and corresponding accumulated amortization being ₹ 166.68 Mn.
- Interest amounting to ₹ 3,243.49 Mn (March 31, 2017 : ₹ 4,130.41 Mn) (including amounts added to intangible assets under development) has been capitalised during the period.
- The remaining amortisation period of Entry / license fees and spectrum fees as at March 31, 2018 ranges between 3.5 to 19.5 years based on the respective telecom service license / spectrum validity period.
- Intangible Assets under development – Amount added during the year ₹ 6,968.25 Mn (including interest of ₹ 2,930.72) and capitalized during the year of ₹ 39,676.36 Mn (including interest of ₹ 2,186.45 Mn). As of March 31, 2018 intangible assets under development include interest amounting to ₹ 3,074.68 Mn (March 31, 2017 : ₹ 2,330.41 Mn).
- For assets pledged as securities refer note 22(a).

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>9 NON-CURRENT INVESTMENTS (UNQUOTED)</b>			
<b>Investment at cost</b>			
<b>a) Investments in Equity Instruments of Subsidiaries</b>			
Aditya Birla Telecom Limited	16,327.76	16,327.76	
10,000,000 fully paid equity shares of ₹ 10 each			
Idea Cellular Infrastructure Services Limited (refer note 40(i))	-	4,865.08	
March 31, 2017 : 60,000 fully paid equity shares of ₹ 10 each			
Idea Mobile Commerce Services Limited (refer note 40 (iii))	-	900.00	
March 31, 2017 : 90,000,000 fully paid equity shares of ₹ 10 each			
Idea Cellular Services Limited	0.50	0.50	
50,000 fully paid equity shares of ₹ 10 each			
Idea Telesystems Limited	38.31	38.31	
50,000 fully paid equity shares of ₹ 10 each			
<b>Total investment in subsidiaries (A)</b>	<b>16,366.57</b>	<b>22,131.65</b>	
<b>b) Investments in Equity Instruments of Associates</b>			
Aditya Birla Idea Payments Bank Limited (ABIPBL)	2,216.34	134.33	
221,634,545 (March 31, 2017 : 13,433,360) fully paid equity shares of ₹ 10 each (refer note 40 (iii))			
<b>Total investment in Associates (B)</b>	<b>2,216.34</b>	<b>134.33</b>	
<b>Total (A+B)</b>	<b>18,582.91</b>	<b>22,265.98</b>	
<b>10 OTHER NON-CURRENT FINANCIAL ASSETS</b>			
<b>a) Deposits with body corporate and others (including amount referred to in Note 58)</b>	<b>3,755.38</b>	<b>4,557.11</b>	
<b>b) Deposits and balances with government authorities</b>	<b>426.43</b>	<b>466.45</b>	
<b>c) Derivative assets at fair value through profit or loss</b>	<b>-</b>	<b>13.69</b>	
<b>d) Advance for purchase of equity shares of ABIPBL</b>	<b>-</b>	<b>41.82</b>	
<b>Total</b>	<b>4,181.81</b>	<b>5,079.07</b>	
<b>11 OTHER NON-CURRENT ASSETS</b>			
<b>a) Capital advances</b>	<b>460.14</b>	<b>4,121.50</b>	
<b>b) Input tax credit</b>	<b>-</b>	<b>3,184.08</b>	
<b>c) Prepaid expenses</b>	<b>1,037.51</b>	<b>988.57</b>	
<b>d) Advance income tax (net)</b>	<b>9,004.41</b>	<b>9,995.62</b>	
<b>e) Others (consisting mainly of deposit against demands which are appealed against / subjudice)</b>			
- Considered Good	7,242.11	9,207.64	
- Considered Doubtful	409.25	452.41	
	7,651.36	9,660.05	
Allowance for doubtful advances (refer note 49)	(409.25)	(452.41)	
	7,242.11	9,207.64	
<b>Total</b>	<b>17,744.17</b>	<b>27,497.41</b>	



## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>12 INVENTORIES</b>			
Sim and recharge vouchers	338.59	542.10	
<b>Total</b>	<b>338.59</b>	<b>542.10</b>	
<b>13 CURRENT INVESTMENTS</b>			
Investment in units of liquid mutual funds (quoted) (refer note 46)	45,278.53	40,247.09	
<b>Total</b>	<b>45,278.53</b>	<b>40,247.09</b>	
<b>14 TRADE RECEIVABLES (UNSECURED, UNLESS OTHERWISE STATED)</b>			
a) <b>Billed Receivables*</b>			
Unsecured - Considered Good	5,512.31	7,638.06	
Unsecured - Considered Doubtful	7,355.77	5,833.53	
	<b>12,868.08</b>	<b>13,471.59</b>	
Allowance for doubtful advances (refer note 49)	(7,355.77)	(5,833.53)	
	<b>5,512.31</b>	<b>7,638.06</b>	
Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 200.88 Mn (March 31, 2017 : ₹ 219.68 Mn)			
b) <b>Unbilled Receivables*</b>	3,361.53	4,942.89	
<b>Total</b>	<b>8,873.84</b>	<b>12,580.95</b>	
*including amount referred to in note 58			
<b>15 CASH AND CASH EQUIVALENTS</b>			
a) Cash on hand	9.80	8.93	
b) Cheques on hand	28.18	63.59	
c) Balances with banks in current accounts	151.88	196.08	
<b>Total</b>	<b>189.86</b>	<b>268.60</b>	
<b>16 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>			
a) Margin money with banks	28.49	39.95	
b) Earmarked bank balance towards dividend	4.08	4.10	
<b>Total</b>	<b>32.57</b>	<b>44.05</b>	

## Notes forming part of the Financial Statements

		₹ Mn		
Particulars	As at March 31, 2018	As at March 31, 2017		
<b>17 OTHER CURRENT FINANCIAL ASSETS</b>				
a) Interest Receivable	0.29	0.19		
b) Deposits with body corporate and others (including amount referred to in note 58)	216.54	332.82		
c) Derivative assets at fair value through profit or loss	27.90	-		
d) Other receivables (including amount referred to in note 58)				
- Considered Good	68.17	69.87		
- Considered Doubtful	1.89	2.46		
	70.06	72.33		
Allowance for doubtful advances (refer note 49)	(1.89)	(2.46)		
	68.17	69.87		
<b>Total</b>	<b>312.90</b>	<b>402.88</b>		
<b>18 OTHER CURRENT ASSETS</b>				
a) Input tax credit	16,197.80	10,310.28		
b) Prepaid expenses	1,038.01	804.95		
c) Others				
- Considered Good	648.06	976.48		
- Considered Doubtful	24.97	10.12		
	673.03	986.60		
Allowance for doubtful advances (refer note 49)	(24.97)	(10.12)		
	648.06	976.48		
<b>Total</b>	<b>17,883.87</b>	<b>12,091.71</b>		
<b>19 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>				
a) Plant and machinery	-	16.11		
b) Investment in ICISL classified as held for sale (refer note 40(i))	4,865.08	-		
<b>Total</b>	<b>4,865.08</b>	<b>16.11</b>		
<b>20 EQUITY SHARE CAPITAL</b>				
Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	₹ Mn	Numbers	₹ Mn
<b>Authorised share capital</b>				
Equity Shares of ₹ 10 each	6,775,000,000	67,750.00	6,775,000,000	67,750.00
Redeemable cumulative non-convertible Preference shares of ₹ 10 million each	1,500	15,000.00	1,500	15,000.00
	6,775,001,500	82,750.00	6,775,001,500	82,750.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	4,359,320,930	43,593.21	3,605,328,231	36,053.28
	4,359,320,930	43,593.21	3,605,328,231	36,053.28

## Notes forming part of the Financial Statements

### a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	₹ Mn	Numbers	₹ Mn
Equity shares outstanding at the beginning of the year	3,605,328,231	36,053.28	3,600,509,378	36,005.09
Issue of share under ESOS	3,117,110	31.18	4,818,853	48.19
Preferential allotment of equity shares (refer note 40 (iv))	326,633,165	3,266.33	-	-
Allotment of equity shares under Qualified institutional placement (QIP)(refer note 40 (v))	424,242,424	4,242.42	-	-
<b>Equity shares outstanding at the end of the year</b>	<b>4,359,320,930</b>	<b>43,593.21</b>	<b>3,605,328,231</b>	<b>36,053.28</b>

### b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Numbers	% holding in the class	Numbers	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Grasim Industries Limited	1,008,540,115	23.14%	171,013,894	4.74%
Aditya Birla Nuvo Limited (merged with Grasim Industries Limited effective from July 1, 2017)	-	-	837,526,221	23.23%
Birla TMT Holdings Private Limited	283,798,538	6.51%	283,565,373	7.87%
Hindalco Industries Limited	228,340,226	5.24%	228,340,226	6.33%
Axiata Investments 2 (India) Limited	247,265,873	5.67%	247,265,873	6.86%
Axiata Investments 1 (India) Limited	464,734,670	10.66%	464,734,670	12.89%

### d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme, please refer note 51.

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>21 OTHER EQUITY</b>			
<b>(i) Debenture redemption reserve</b>			
Opening balance	1,316.93	483.21	
Transferred from retained earnings	3,090.96	833.72	
<b>Closing balance (A)</b>	<b>4,407.89</b>	<b>1,316.93</b>	
<b>(ii) Securities premium account</b>			
Opening balance	104,329.67	103,837.69	
Premium on issue of shares under ESOS	27.10	48.66	
Transfer from Outstanding employee stock options reserve on exercise of options	310.36	443.32	
Premium on Preferential allotment of equity shares (Net of share issue expenses of ₹ 34.84 Mn) (refer note 40 (iv))	29,198.83	-	
Premium on allotment of equity shares under QIP (Net of share issue expenses of ₹ 309.44 Mn) (refer note 40 (v))	30,448.13	-	
<b>Closing balance (B)</b>	<b>164,314.09</b>	<b>104,329.67</b>	
<b>(iii) Outstanding Employee stock options</b>			
Opening balance	1,341.32	1,352.29	
Share-based payments expenses	(228.99)	432.35	
Transfer to Securities premium account on exercise of options	(310.36)	(443.32)	
<b>Closing balance (C)</b>	<b>801.97</b>	<b>1,341.32</b>	
<b>(iv) General Reserve (D)</b>	<b>20,863.21</b>	<b>20,863.21</b>	
<b>(v) Retained Earnings</b>			
Opening balance	73,333.18	85,110.48	
Net Loss for the year	(47,807.83)	(8,310.75)	
Other Comprehensive Income recognised directly in retained earnings	280.32	(32.36)	
Transfer to Debenture redemption reserve	(3,090.96)	(833.72)	
Dividends	-	(2,160.62)	
Dividends distribution tax	-	(439.85)	
<b>Closing balance (E)</b>	<b>22,714.71</b>	<b>73,333.18</b>	
<b>Total (A+B+C+D+E)</b>	<b>213,101.87</b>	<b>201,184.31</b>	

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2018	As at March 31, 2017
<b>22 LONG TERM BORROWINGS</b>			
a) Secured Loans			
Redeemable Non-Convertible Debentures (NCDs)		4,008.81	13,952.36
Term Loans			
Foreign currency loan			
- From others		-	19,504.57
Rupee loan			
- From banks		89,885.08	44,942.92
Vehicle loan from banks		53.40	169.38
Total Secured loans		93,947.29	78,569.23
b) Unsecured Loans			
Redeemable Non-Convertible Debentures (NCDs)		59,854.73	59,879.12
Term Loans			
Foreign currency loan			
- From banks		4,266.73	10,580.66
- From Others		22,425.18	-
Total Unsecured Loans		86,546.64	70,459.78
Subtotal (A)		180,493.93	149,029.01
Deferred Payment Liabilities towards Spectrum (unsecured) (B)		388,914.07	367,349.27
Total (A + B)		569,408.00	516,378.28

## (a) Security clause

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount *		Security Offered
	As at March 31, 2018	As at March 31, 2017	
a 9.45% Redeemable Non Convertible Debentures	3,960.00	3,960.00	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure
b 8.12% Redeemable Non Convertible Debentures	50.00	10,000.00	Pari passu charge on movable fixed assets of the Company excluding:
c Rupee Loan#	9,950.00	-	a) Spectrum and Telecom Licenses b) Vehicles up to ₹ 250 crores and c) Passive Telecom Infrastructure.
d Rupee Loan#	80,000.00	48,000.00	First charge on all the movable and immovable properties (including intangible assets) of the Company excluding
e Foreign currency Loan#	-	26,653.04	a) Spectrum and Telecom Licenses b) Vehicles up to ₹ 250 crores and c) Passive Telecom Infrastructure.
f Vehicle Loans	158.97	353.28	Hypothecation of Vehicles against which the loans have been taken.
<b>Total</b>	<b>94,118.97</b>	<b>88,966.32</b>	

\* Amounts represent Long term borrowings including current maturities of ₹ 105.57 Mn (Previous year ₹ 9,736.00 Mn) and gross off upfront fees amounting to ₹ 66.11 Mn (Previous year ₹ 664.42 Mn).

# Term loans are also secured by way of first charge / assignment ranking pari-passu inter se the lenders as above.



## Notes forming part of the Financial Statements

### (b) Repayment terms of Long term borrowings as at March 31, 2018

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total*	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan	-	50,000.00	50,000.00	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9,950.00	9,950.00	Repayable in February, 2024
c) Rupee Loan	-	30,000.00	30,000.00	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	-	3,960.00	3,960.00	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 Mn each, aggregating to ₹ 6,040.00 Mn with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50.00	50.00	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 Mn each, aggregating to ₹ 9,950.00 Mn with an option to re-issue the same in future)
f) Vehicle Loans	105.57	53.40	158.97	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total (A)</b>	<b>105.57</b>	<b>94,013.40</b>	<b>94,118.97</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan	1,073.23	1,504.14	2,577.37	a) 5 equal quarterly installments of USD 4.125 Mn (₹ 268.31 Mn) starting from April, 2018. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 308.96 Mn) starting from July, 2019.
b) Foreign currency Loan	616.28	2,773.27	3,389.55	11 equal half yearly installments starting April, 2018
c) Foreign currency Loan	1,027.01	2,567.53	3,594.54	7 equal half yearly installments starting May, 2018
d) Foreign currency Loan	-	19,900.84	19,900.84	3 equal annual installments starting June, 2020

## Notes forming part of the Financial Statements

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total*	Repayment Terms for the Balance Amount
e) Foreign currency Loan	4,683.18	-	4,683.18	Repayable in June, 2018
f) 7.57% Redeemable Non Convertible Debentures	-	15,000.00	15,000.00	Repayable in December, 2021
g) 7.77% Redeemable Non Convertible Debentures	-	15,000.00	15,000.00	Repayable in January, 2022
h) 8.04% Redeemable Non Convertible Debentures	-	20,000.00	20,000.00	Repayable in January, 2022
i) 8.03% Redeemable Non Convertible Debentures	-	5,000.00	5,000.00	Repayable in January, 2022
j) 8.03% Redeemable Non Convertible Debentures	-	5,000.00	5,000.00	Repayable in February, 2022
<b>Sub-Total (B)</b>	<b>7,399.70</b>	<b>86,745.78</b>	<b>94,145.48</b>	
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auctions	-	10,321.57	10,321.57	12 equal annual installments starting December, 2019
b) February - 2014 auctions	2,734.23	76,289.35	79,023.58	a) ₹ 76,487.23 Mn and interest thereon will be repaid in 14 equal annual installments starting March, 2019. b) ₹ 2,536.35 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
c) March - 2015 auctions	-	232,362.19	232,362.19	a) ₹ 230,974.14 Mn and interest thereon will be repaid in 15 equal annual installments starting April, 2019. b) ₹ 1,388.05 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
d) October - 2016 auctions	-	69,940.96	69,940.96	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>2,734.23</b>	<b>388,914.07</b>	<b>391,648.30</b>	
<b>Grand Total (A+B+C)</b>	<b>10,239.50</b>	<b>569,673.25</b>	<b>579,912.75</b>	

\* Amounts represent Long term borrowings gross off upfront fees amounting to ₹ 278.38 Mn

- (c) Interest rate for Rupee Term Loan ranges from 7.8% to 8.7%, Foreign currency Loan ranges from 2.58% to 3.14% and Deferred Payment Liability towards spectrum ranges from 9.30% to 10%.
- (d) During the year, the company has re-financed Loans worth ₹ 23,733.78 Mn (Previous year ₹ 4,317.34 Mn)

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
<b>23 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
a) Security deposits	22.64	36.51
b) Payables for capital expenditure	-	43.35
c) Interest accrued but not due on deferred payment liability	26,039.04	9,954.49
<b>Total</b>	<b>26,061.68</b>	<b>10,034.35</b>
<b>24 LONG TERM PROVISIONS</b>		
a) Gratuity (refer note 52)	1,522.03	1,542.84
b) Compensated absences	1,480.30	1,716.69
c) Asset retirement obligation (refer note 50)	77.89	51.47
<b>Total</b>	<b>3,080.22</b>	<b>3,311.00</b>
<b>25 OTHER NON-CURRENT LIABILITIES</b>		
a) Deferred Revenue	4,919.57	4,307.68
b) Others (consists mainly of Lease Rent Equalisation)	681.62	599.76
<b>Total</b>	<b>5,601.19</b>	<b>4,907.44</b>
<b>26 SHORT TERM BORROWINGS</b>		
a) <b>Secured loans</b>		
Bank overdraft	1.07	20.09
(Secured by way of pari passu second charge on movable and immovable assets of the company)		
b) <b>Unsecured loans</b>		
Bank overdraft	215.87	316.41
<b>Total</b>	<b>216.94</b>	<b>336.50</b>
<b>27 OTHER CURRENT FINANCIAL LIABILITIES</b>		
a) Current maturities of long term debt* (refer note 22(a) and 22(b))	10,226.37	33,820.18
b) Payable for capital expenditure	29,523.15	45,683.94
c) Interest accrued but not due on borrowings#	1,768.99	18,596.53
d) Unpaid dividend	4.08	4.10
e) Derivative liabilities at fair value through profit or loss	112.12	1,898.34
f) Security deposits from customers and others	2,185.16	2,291.43
<b>Total</b>	<b>43,819.87</b>	<b>102,294.52</b>
*Amount as at March 31, 2017 includes ₹ 22,403 Mn prepaid in April 2017		
#Amount as at March 31, 2017 includes ₹ 17,702 Mn prepaid in April 2017		
<b>28 OTHER CURRENT LIABILITIES</b>		
a) Advance from customers and deferred revenue	14,065.75	13,709.12
b) Taxes and other liabilities	12,395.66	12,451.55
c) Others (consists mainly of Lease Rent Equalisation)	63.81	89.69
<b>Total</b>	<b>26,525.22</b>	<b>26,250.36</b>
<b>29 SHORT TERM PROVISIONS</b>		
a) Compensated absences	201.55	136.48
b) Asset retirement obligation (refer note 50)	16.06	25.24
<b>Total</b>	<b>217.61</b>	<b>161.72</b>

## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>30 OTHER OPERATING INCOME</b>		
Liabilities / provisions no longer required written back	197.66	145.90
Miscellaneous receipts	88.46	75.44
<b>Total</b>	<b>286.12</b>	<b>221.34</b>
<b>31 OTHER INCOME</b>		
Interest income	2,066.71	124.24
Gain on Mutual Funds (including fair value gain/(loss))	914.85	1,846.01
<b>Total</b>	<b>2,981.56</b>	<b>1,970.25</b>
<b>32 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	12,489.47	14,005.61
Contribution to provident and other funds (refer note 52)	1,055.88	1,043.83
Share based payment expense (ESOS) (refer note 51)	(223.96)	425.05
Staff welfare	547.82	611.30
Recruitment and training	98.89	170.59
<b>Total</b>	<b>13,968.10</b>	<b>16,256.38</b>
<b>33 NETWORK EXPENSES AND IT OUTSOURCING COST</b>		
Security service charges	393.07	593.34
Power and fuel	29,225.96	29,522.21
Repairs and maintenance - plant and machinery	9,999.60	11,732.35
Switching and cellsites rent	499.61	802.79
Lease line and connectivity charges	1,218.62	1,913.93
Network insurance	154.99	169.58
Passive infrastructure charges	49,607.74	50,285.78
Other network operating expenses	1,180.36	1,044.71
IT outsourcing cost	5,169.44	5,748.24
<b>Total</b>	<b>97,449.39</b>	<b>101,812.93</b>
<b>34 LICENSE FEES AND SPECTRUM USAGE CHARGES</b>		
License fees	19,769.32	24,897.38
Spectrum usage charges	8,897.85	15,617.45
<b>Total</b>	<b>28,667.17</b>	<b>40,514.83</b>

## Notes forming part of the Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>35 ROAMING AND ACCESS CHARGES</b>			
Roaming charges	3,794.21	9,107.52	
Access charges	31,563.64	33,646.92	
<b>Total</b>	<b>35,357.85</b>	<b>42,754.44</b>	
<b>36 SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE</b>			
Cost of sim and recharge vouchers	1,357.29	2,017.66	
Commission to dealers	19,639.70	19,652.71	
Customer verification expenses	1,335.87	2,410.15	
Collection, telecalling and servicing expenses	5,154.96	5,947.88	
Customer retention and customer loyalty expenses	1,663.31	1,413.26	
<b>Total</b>	<b>29,151.13</b>	<b>31,441.66</b>	
<b>37 ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST</b>			
Advertisement & Business promotion expenditure	4,023.58	4,554.02	
Content cost	4,123.49	4,835.61	
<b>Total</b>	<b>8,147.07</b>	<b>9,389.63</b>	
<b>38 OTHER EXPENSES</b>			
Repairs and maintenance			
Building	152.84	112.24	
Others	915.03	815.61	
Other insurance	36.98	37.42	
Non network rent	1,627.28	1,488.76	
Rates and taxes	61.39	543.65	
Electricity	540.43	568.80	
Printing and stationery	75.86	84.00	
Communication expenses	124.78	117.77	
Travelling and conveyance	796.47	955.41	
Bad debts / advances written off	53.31	99.77	
Allowances for doubtful debts and advances (refer note 49)	1,493.36	1,868.10	
Gain on disposal of property, plant and equipment	(148.90)	(150.65)	
Bank charges	334.56	293.07	
Directors Sitting Fees (including amount referred to in note 58)	3.74	4.01	
Legal and professional charges	1,104.64	965.61	
Audit fees (refer note 53)	36.60	46.00	
CSR expenditure (refer note 54)	199.43	369.66	
Miscellaneous expenses	1,679.85	1,777.40	
<b>Total</b>	<b>9,087.65</b>	<b>9,996.63</b>	



## Notes forming part of the Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>39 FINANCE COSTS</b>		
Interest		
- On fixed period loan (Net of ₹ 1,407.75 Mn capitalised, Previous year ₹ 1,973.30 Mn)	11,770.37	3,546.50
- On deferred payment liability towards spectrum (Net of ₹ 1,835.74 Mn capitalised, Previous year ₹ 2,157.11 Mn)	35,822.53	35,095.64
- Others	882.30	297.83
Other finance charges	82.82	68.03
<b>Total interest expense</b>	<b>48,558.02</b>	<b>39,008.00</b>
Exchange difference (net) (Net of ₹ (191.57) Mn (decapitalised), Previous year ₹ (661.69) Mn (decapitalised))	877.28	(446.82)
Loss / (gain) on derivatives (including fair value changes on derivatives)	(41.30)	1,218.89
Change in investment value on merger of IMCSL with ABIPBL	(148.70)	-
<b>Total</b>	<b>49,245.30</b>	<b>39,780.07</b>

#### 40. SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS

- i. The Board of Directors of the Company at its meeting held on November 13, 2017 has approved the sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC Telecom Infrastructure Private Limited (ATC). ATC and the Company has entered into a Share Purchase Agreement for a consideration of ₹ 40,000 Mn. The closing of the transaction is subject to certain regulatory approvals and other closing conditions. The effects of the arrangement will be recognised once the transaction is consummated.

However effective November 13, 2017, in line with the requirements of Ind AS 105 – “Non-current Assets Held for Sale and Discontinued Operations”, investment in ICISL of ₹ 4,865.08 Mn has been classified as Assets held for Sale. The realizable value of this investment is higher than the carrying value resulting in no further adjustments in these financial statements.

- ii. On March 20, 2017, the board of directors of the Company had approved the scheme of amalgamation of Vodafone India Ltd (VIL) and its wholly owned subsidiary Vodafone Mobile Services Ltd (VMSL) with the Company subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, the Competition Commission of India, the Department of Telecommunications (DoT), the Foreign Investment Promotion Board, the Reserve Bank of India (RBI), other governmental authorities and third parties as may be required.

On the scheme of amalgamation becoming effective, the Company shall issue an aggregate number of equity shares of the Company (credited as fully paid up) to VIL equal to 47% of the post issue paid up capital of the Company on a fully diluted basis. Immediately thereafter, on the amalgamation of VIL with the Company, the shares issued to VIL pursuant to amalgamation of VMSL shall stand cancelled and, post such cancellation, the Company shall issue an aggregate number of equity shares of the Company (credited as fully paid up) equal to 50% of the post issue paid up capital of the Company to the shareholders of VIL.

Existing shareholders of VIL (VIL promoters) will own 45.1% of the combined Company after transferring a 4.9% stake to the Aditya Birla Group for an agreed consideration concurrent with completion of the merger. The Aditya Birla Group will then own 26.0% of the combined Company and Idea's other shareholders will own the remaining 28.9%.

The Aditya Birla Group has the right to acquire up to 9.5% additional stake from VIL promoters under an agreed mechanism with a view to equalising the shareholdings over time. Until equalisation is achieved, the additional shares held by VIL promoters will be restricted and votes will be exercised jointly under the terms of the shareholders' agreement. The combination will be jointly controlled by VIL promoters and the Aditya Birla Group.

The Company has received the approvals from the Competition Commission of India (CCI) on July 24, 2017 and from the Stock Exchange on August 4, 2017. The Equity shareholders, secured and unsecured creditors of the Company have approved the amalgamation in their respective meetings held on October 12, 2017. The Company has also received the approval from National Company Law Tribunal on January 11, 2018. The transferor Companies' i.e. VIL and VMSL have also received approval from the National Company Law Tribunal on January 19, 2018.

For the scheme to become effective certain conditions precedent will need to be met which are in process including requisite approvals from Foreign Investment Promotion Board, Department of Industrial Policy and Promotion and RBI, for which the Company has filed applications and is awaiting approvals to take the process forward further with the DoT.

## Notes forming part of the Financial Statements

- iii. The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank limited (ABIPBL), an associate was approved by the Hon'ble Mumbai High Court. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective this date IMCSL merged with ABIPBL.

Pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The excess of the value of such shares issued over the book value of investment in IMCSL amounting to ₹ 148.70 Mn has been grouped under finance cost in the Statement of Profit and Loss. The Company now holds 49% stake in ABIPBL.

- iv. After the requisite shareholders' approval, the Company, during the year, has issued and allotted 326,633,165 Equity Shares of face value of ₹ 10 to entities forming part of promoter / promoter group on preferential basis at a price of ₹ 99.50 per Equity Share, including a premium of ₹ 89.50 per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 32,500 Mn.
- v. The Company has also issued and allotted 424,242,424 Equity Shares of face value of ₹ 10 each to eligible Qualified Institutional Buyers at a price of ₹ 82.50 per Equity Share, including a premium of ₹ 72.50 per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 35,000 Mn.

### 41. CAPITAL AND OTHER COMMITMENTS:

Estimated amount of commitments are as follows:

- Spectrum won in auctions ₹ Nil (Previous year: ₹ 3,312.07 Mn)
- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 12,979.88 Mn (Previous year: ₹ 20,097.43 Mn)
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 18,712.64 Mn (Previous year: ₹ 17,600.26 Mn)

### 42. CONTINGENT LIABILITIES:

#### A) Licensing Disputes:

- i. One Time Spectrum Charges:

In Financial year 2012-13, DoT had issued demand notices towards one time spectrum charges

- For spectrum beyond 6.2 MHz in respective service areas for retrospective period from July 1, 2008 to December 31, 2012, amounting to ₹ 3,691.30 Mn (Previous year: ₹ 3,691.30 Mn) and
- For spectrum beyond 4.4 MHz in respective service areas effective January 1, 2013 till expiry of the period as per respective licenses amounting to ₹ 17,443.70 Mn (Previous year: ₹ 17,443.70 Mn)

In the opinion of Company, inter-alia, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial statements for the above.

- ii. Other Licensing Disputes - ₹ 107,710.35 Mn (Previous year: ₹ 58,318.18 Mn):

- Demands due to difference in interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters. Most of these demands are currently before the Hon'ble TDSAT, Hon'ble High court and Hon'ble Supreme Court.
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT, either filed by or against the Company and pending before Hon'ble Supreme Court / TDSAT.
- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.
- Demand with respect to upfront spectrum amounts for continuation of services from February 02, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.
- Demands raised by Term Cell towards subscriber verification norms.

## Notes forming part of the Financial Statements

B) P5 Asia Holdings Investments (Mauritius) Limited (P5) has a right to require the ABTL to buy equity shares of Indus Towers Limited (Indus) held by P5 at fair value if:

- i. ABTL's stake in Indus is reduced below the agreed threshold; or
- ii. Aditya Birla Group companies collectively (ABG) cease to be the single largest shareholder of the Company before P5 is able to sell its stake in Indus. However, provided that the Company and / or ABG are able to demonstrate that ABG has a joint control over the Company then this right will not be available to P5 even if ABG cease to be the single largest shareholder of the Company.

Pursuant to proposed merger of Indus with Bharti Infratel Limited (BIL), P5 has agreed to suspend this right during the period from April 25, 2018 till such date the merger is effective and such right will be terminated upon the merger being effective.

### C) Other Matters

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
Income tax matters not acknowledged as debts (see note i below)	22,818.99	73,969.18
Sales tax and entertainment tax matters not acknowledged as debts (see note ii below)	1,175.38	1,684.32
Service tax / Goods and Service Tax (GST) matters not acknowledged as debts (see note iii below)	3,248.23	3,041.46
Entry tax and customs matters not acknowledged as debts (see note iv below)	385.41	332.70
Other claims not acknowledged as debts (see note v below)	4,513.35	2,473.84

#### i. Income Tax Matters

- Appeals filed by the Company against the demands raised by the Income Tax Authorities (which includes matters on which the Appellate Authorities have decided in favour of the Company) relating to incorrect disallowance of revenue share licence fees, disputes on non-applicability of tax deductions at source on prepaid margin allowed to prepaid distributors & roaming settlement, etc.
- During the year, the appellate authorities decided on several matters in favour of the Company which were under appeal for assessments done relating to periods prior to AY 2015-16. These matters pertain to incorrect disallowance of revenue share licence fees, demerger of Passive Infra business to the step down subsidiary from the Company and demerger of Bihar Telecom undertaking from its subsidiary into the Company, depreciation on spectrum and other matters including disallowance on prepaid margin allowed to prepaid distributors & roaming settlements. The Tax Department may however appeal further in higher forums.

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards etc. on which the Company has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one State entertainment tax is being demanded on revenue from value added services. However, the Company has challenged the constitutional validity of the levy.

#### iii. Service Tax / GST

Service Tax / GST demands mainly relates to the following matters:

- Interpretation issues arising out of Rule 6 (3) of the Cenvat Credit Rules, 2004.
- Denial of Cenvat credit related to Towers and Shelters.
- Demand raised on services provided by foreign telecom operators stating that it is liable to Service tax under reverse charge.
- Disallowance of Cenvat Credit on input services viewed as not related to output service.
- Demand of tax on telecommunication services provided to employees.
- Demand of interest on the credit availed but not utilized.

## Notes forming part of the Financial Statements

### iv. Entry Tax

- Entry Tax disputes pertains to classification / valuation of goods.

### v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed port charges, miscellaneous disputed matters with local Municipal Corporation, Electricity Board and others including EB rate dispute in a couple of circles.

## 43. DETAILS OF GUARANTEES GIVEN AND LETTER OF CREDITS ISSUED

₹ Mn

Particulars	As at March 31, 2018	As at March 31, 2017
Bank guarantees given*	111,441.13	114,300.57
Letter of Credits (LC's) issued#	3,058.82	-

\*includes guarantees towards first installment of deferred payment liability of ₹ 73,808.22 Mn (Previous Year: to ₹ 73,808.22 Mn).

#LC's primarily issued to vendors of capital equipment supplies. Out of the above supplies shipped / received amount to ₹ 2,096.34 included in payable for capital expenditure.

## 44. OPERATING LEASE

### a) Company as lessee

The Company has entered into non-cancellable operating leases for offices, switches and cell sites for periods ranging from 36 months to 240 months.

Lease payments amounting to ₹ 51,560.10 Mn (Previous year: ₹ 52,522.45 Mn) are included in passive infrastructure charges, non-network rent and switching and cellsite rent in the Statement of Profit and Loss. Terms of the lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease rentals payable under non-cancellable operating leases are as follows:

₹ Mn

Particulars	As at March 31, 2018	As at March 31, 2017
Within one year	45,615.34	48,254.95
After one year but not more than five years	145,998.34	140,612.85
More than five years	37,889.28	75,755.79

### b) Company as lessor

The Company has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use ("IRU") basis and certain cell sites under operating lease arrangements. The gross block, accumulated depreciation and depreciation expense of the assets given on lease are not separately identifiable and hence not disclosed.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

₹ Mn

Particulars	As at March 31, 2018	As at March 31, 2017
Within one year	334.65	402.76

45. The Company has composite IT outsourcing agreements where in property, plant and equipment, computer software and services related to IT has been supplied by the vendor. Such property, plant and equipment received have been accounted for as finance lease. Correspondingly, such assets are recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Company.

## Notes forming part of the Financial Statements

### 46. DETAILS OF CURRENT INVESTMENTS

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty in '000 Units	₹ in Mn Value	Qty in '000 Units	₹ in Mn Value
Birla Sun Life Cash Plus - Direct – Growth	97,375.35	27,198.36	138,096.76	36,085.95
HDFC Cash Management Fund - Savings Plan - Direct – Growth	1,344.47	4,872.91	-	-
L&T Liquid Fund - Direct – Growth	365.84	871.24	-	-
SBI Premier Liquid Fund - Direct – Growth	2,301.05	6,268.96	-	-
Tata Money Market Fund - Regular – Growth	202.01	550.88	-	-
Invesco India Liquid Fund - Direct – Growth	195.95	468.72	-	-
ICICI Prudential Liquid -Direct- Growth	19,629.48	5,047.46	-	-
DSP BlackRock Liquidity Fund - Direct – Growth	-	-	537.59	1,250.32
Reliance Liquidity Fund - Direct – Growth	-	-	510.11	1,250.38
IDFC Cash Fund - Direct – Growth	-	-	167.07	330.08
UTI-Liquid Cash Plan -Direct- Growth	-	-	375.58	1,000.27
Kotak Liquid Scheme - Plan A - Direct – Growth	-	-	100.10	330.09
<b>Total</b>	<b>121,414.15</b>	<b>45,278.53</b>	<b>139,787.21</b>	<b>40,247.09</b>

### 47. DETAILS OF FOREIGN CURRENCY EXPOSURES

#### A. Hedged by a Derivative Instrument

Particulars	Amount in Mn	
	As at March 31, 2018	As at March 31, 2017
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	52.76	127.03
Equivalent INR of Foreign Currency Loan*	3,565.56	10,000.89
<b>Trade Payables and Other Current Financial Liabilities</b>		
Trade Payables in USD	67.43	161.59
Interest accrued but not due on Foreign Currency Loans in USD	0.08	0.05
Equivalent INR of Trade Payables and Other Current Financial Liabilities*	4,442.76	10,886.76

\*Amount in INR represents conversion at hedged rate

#### B. Not hedged by a Derivative Instrument or otherwise

Particulars	Amount in Mn	
	As at March 31, 2018	As at March 31, 2017
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	472.20	473.75
Equivalent INR of Foreign Currency Loan <sup>#</sup>	30,713.94	30,717.39
<b>Trade Payables and Other Current Financial Liabilities</b>		
Trade Payables in USD	180.60	138.67
Trade Payables in EURO	0.21	0.16
Trade Payables in GBP	0.02	0.03
Interest accrued but not due on Foreign Currency Loans in USD	0.36	2.93
Equivalent INR of Trade Payables and Other Current Financial Liabilities <sup>#</sup>	11,788.72	9,195.09
<b>Trade Receivables</b>		
Trade Receivables in USD	20.43	13.55
Trade Receivables in EURO	0.21	0.23
Trade Receivables in GBP	0.01	-
Equivalent INR of Trade Receivables in Foreign Currency <sup>#</sup>	1,346.54	894.93

<sup>#</sup>Amount in INR represents conversion at closing rate



## Notes forming part of the Financial Statements

### 48. INFORMATION AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ Mn

Particulars	2017-18	2016-17
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	3.80	19.45
(ii) The interest due on above	-	-
<b>The total of (i) &amp; (ii)</b>	<b>3.80</b>	<b>19.45</b>
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-

### 49. MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	6,298.52	4,442.40
Charged to Statement of Profit and Loss (Net) (Refer Note 38)	1,493.36	1,868.10
Transfer to wholly owned subsidiary	-	(11.98)
<b>Closing Balance</b>	<b>7,791.88</b>	<b>6,298.52</b>

### 50. ASSET RETIREMENT OBLIGATION

The Company installs equipment's on leased premises to provide seamless connectivity to its customers. In certain cases, the Company may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	76.71	394.10
Additional Provision	8.95	7.93
Unwinding of discount	9.19	15.44
Transfer to wholly owned subsidiary	-	(340.76)
Utilisation	(0.90)	-
<b>Closing Balance</b>	<b>93.95</b>	<b>76.71</b>

### 51. SHARE-BASED PAYMENTS

#### Employee stock option plan

The Company has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfillment of vesting conditions, would vest in 4 equal annual installments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

## Notes forming part of the Financial Statements

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options / RSU's during the year ended March 31, 2018 and March 31, 2017. During the year, certain unvested options were cancelled on non-fulfillment of certain vesting conditions under ESOS 2013. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2006</b>				
Options outstanding at the beginning of the year	1,217,151	58.80	2,681,041	52.56
Options exercised during the year	609,912	54.43	1,337,663	46.37
Options cancelled during the year	14,625	65.09	9,750	68.86
Options expired during the year	65,937	57.15	116,477	56.97
Options outstanding at the end of the year	526,677	63.90	1,217,151	58.80
Options exercisable at the end of the year	526,677	63.90	1,217,151	58.80
Range of exercise price of outstanding options (₹)	57.55 - 68.86		45.55 - 68.86	
Remaining contractual life of outstanding options (years)	0.72 - 1.81		0.31 - 2.81	
<b>ii) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	18,972,641	126.28	19,018,618	126.66
Options granted during the year	-	-	416,033	110.45
Options cancelled during the year	5,876,027	126.13	462,010	127.29
Options outstanding at the end of the year	13,096,614	126.35	18,972,641	126.28
Options exercisable at the end of the year	12,635,255	126.79	13,166,437	126.76
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (years)	1.87 - 7.87		2.87 - 8.87	
<b>iii) RSU's granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	5,009,212	10.00	8,550,446	10.00
Options granted during the year	-	-	161,869	10.00
Options cancelled during the year	107,358	10.00	221,913	10.00
Options exercised during the year	2,507,198	10.00	3,481,190	10.00
Options outstanding at the end of the year	2,394,656	10.00	5,009,212	10.00
Options exercisable at the end of the year	1,853,893	10.00	4,123,456	10.00
Range of exercise price of outstanding options (₹)	10.00		10.00	
Remaining contractual life of outstanding options (years)	3.87 - 6.87		4.87 - 7.87	

The weighted average share price at the date of exercise of options exercised during the year was ₹ 85.15 (March 31, 2017 ₹ 84.88)

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

## Notes forming part of the Financial Statements

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I (31/12/07)	Tranche II (24/07/08)	Tranche III (22/12/09)	Tranche IV (24/01/11)	Tranche I (21/12/09)	Tranche II (21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.50	7.36	8.04 - 8.14	7.36	7.36
Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.3	91.95	57.55	68.86	57.05	57.05
Fair Value*	68.99	48.25	31.34	37.47	18.42	10.57

\*As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/01/16)	Tranche IV (11/02/17)
	Stock Options	Stock Options	Stock Options	Stock Options
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 - 7.66	6.68 - 7.03
Volatility (%)	34.13 - 44.81	34.28 - 42.65	34.24 - 35.33	36.37 - 38.87
Market price on date of grant (₹)	126.45	150.1	117.55	110.45
Fair Value	60.51 <sup>#</sup>	66.27	48.97	46.39

<sup>#</sup>As on the date of transition from IGAAP to Ind AS on April 1, 2015, first instalment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/01/16)	Tranche IV (11/02/17)
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.1	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

## Notes forming part of the Financial Statements

### 52. EMPLOYEE BENEFITS

#### A. Defined Benefit Plan (Gratuity)

##### General description and benefits of the plan

The Company operates a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. In case of employees retiring from the Company, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972 depending on the period of continuous service. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Company.

##### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance Companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2018 and March 31, 2017, the contributions towards the plans have been invested in Insurer Managed Funds.

##### Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for gratuity:

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
<b>Amount recognised in Balance Sheet</b>		
Present value of obligations as at the end of the year	2,264.20	2,322.25
Fair value of plan assets as at the end of the year	742.17	779.41
Net Funded Obligation	1,522.03	1,542.84
Net Asset/(Liability) recognised in Balance Sheet	(1,522.03)	(1,542.84)
Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
– Long term provision	(1,522.03)	(1,542.84)

Sr. No.	Particulars	₹ Mn	
		For the year ended March 31, 2018	For the year ended March 31, 2017
1	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability / (asset)	1,542.84	1,542.62
	Expense charged to Statement of Profit and Loss	427.23	411.54
	Expense / (Income) charged to OCI	(428.68)	49.49
	Employer contributions	(6.54)	(404.95)
	Liabilities assumed/ (settled)*	(12.82)	(55.86)
	Closing Net Defined Benefit liability / (asset)	1,522.03	1,542.84

## Notes forming part of the Financial Statements

		₹ Mn	
Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	2,322.25	1,939.06
	Current Service cost	323.01	292.67
	Interest on Defined Benefit Obligation	161.74	154.05
	Re-measurement (Gain) / Loss arising from change in financial assumptions	(197.16)	293.04
	Re-measurement (Gain) / Loss arising from change in demographic assumptions	(253.47)	-
	Re-measurement (Gain) / Loss arising on account of experience changes	(4.35)	(242.02)
	Benefits paid	(75.00)	(58.69)
	Liabilities assumed / (settled)*	(12.82)	(55.86)
	Closing Defined Benefit Obligation	2,264.20	2,322.25
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	779.41	396.44
	Employer contributions	6.54	404.95
	Interest on plan assets	57.52	35.18
	Re-measurements due to		
	- Actual return on plan assets less interest on plan assets	(26.30)	1.53
	Benefits paid	(75.00)	(58.69)
	Closing fair value of plan assets	742.17	779.41

\*On account of inter group transfer.

Amounts recognized in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

		₹ Mn	
Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1</b>	<b>Expenses Recognised in Statement of Profit and Loss</b>		
	Current Service cost	323.01	292.67
	Interest on Net Defined Benefit liability / (asset)	104.22	118.87
	Expenses recognised in Statement of Profit and Loss	427.23	411.54
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re-measurement during the year due to		
	- Changes in financial assumptions	(197.16)	293.04
	- Changes in demographic assumptions	(253.47)	-
	- Experience adjustments	(4.35)	(242.02)
	- Return on plan assets (excluding amounts included in net interest expense)	26.30	(1.53)
	Amount recognised in OCI (gains) / loss	(428.68)	49.49

## Notes forming part of the Financial Statements

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.85%	7.10%
Future salary increases*	8.00%	8.00%
Attrition rate	3.00% - 25.00%	2.00% - 5.00%
Mortality rate during employment	As per Indian Assured Lives Mortality (2006-08) Ult Table	
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

\*The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(5.25)%	5.65%	(6.59) %	7.13 %
Impact of decrease in 50 bps on DBO	5.69%	(5.27)%	7.23 %	(6.57)%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Within the next 12 months	150.00	150.00

Disaggregation details of plan assets (% allocation):

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Insurer Managed Funds *	742.17	779.41

\*The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

### Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Expected benefits for year 1	178.16	88.42
Expected benefits for year 2	123.93	69.66
Expected benefits for year 3	120.81	72.80
Expected benefits for year 4	136.03	75.83
Expected benefits for year 5 and above	5,858.45	7,011.17

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.92 years (March 31, 2017: 13.80 years).



## Notes forming part of the Financial Statements

### B. Defined contribution plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Employers' contribution to provident and pension fund	522.97	527.30
Employers' contribution to superannuation fund	105.31	104.55

### 53. AUDITOR'S REMUNERATION

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory Audit Fees	36.60	46.00
Certification and Other services (included in Legal and Professional Charges)	6.00*	22.68#
Out of pocket expenses (included in Misc. Expenses)	3.50	0.99
<b>Total Remuneration</b>	<b>46.10</b>	<b>69.67</b>

\*excludes ₹ 6 Mn paid to Statutory Auditors for attestation related to QIP as it is netted off from securities premium

#includes ₹ 5 Mn Payment to an affiliate firm of statutory auditors

### 54. EXPENDITURE FOR CORPORATE SOCIAL RESPONSIBILITY

- a) Gross amount required to be spent by the Company during the year is ₹ 470.50 Mn (Previous year ₹ 731.94 Mn).  
b) Amount spent for the year ended March 31, 2018:

Sr. No.	Particulars	₹ Mn		
		Amount Paid	Amount Payable	Total
1	Healthcare	25.60	15.61	41.21
2	Education	69.59	45.93	115.52
3	Sanitation	22.14	3.96	26.10
4	Others	0.52	16.07	16.60
	<b>Total</b>	<b>117.85</b>	<b>81.58</b>	<b>199.43</b>

- c) Amount spent for the year ended March 31, 2017:

Sr. No.	Particulars	₹ Mn		
		Amount Paid	Amount Payable	Total
1	Healthcare	168.21	112.12	280.33
2	Education	20.59	2.52	23.11
3	Sanitation	12.00	2.40	14.40
4	Others	36.42	15.40	51.82
	<b>Total</b>	<b>237.22</b>	<b>132.44</b>	<b>369.66</b>

## Notes forming part of the Financial Statements

### 55. INCOME TAX EXPENSE

#### (a) Major components of tax expense

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax Expense (A)	-	-
Relating to addition & reversal of temporary differences	(25,209.59)	(4,825.95)
Relating to effect of previously unrecognised tax credits, now recorded	50.59	(1,053.33)
<b>Total Deferred Tax Expense (B)</b>	<b>(25,159.00)</b>	<b>(5,879.28)</b>
<b>Total Tax Expense (A+B)</b>	<b>(25,159.00)</b>	<b>(5,879.28)</b>
Income tax effect of re-measurement (gains) / losses on defined benefit plans taken to other comprehensive income	(148.36)	17.13

#### (b) Reconciliation of average effective tax rate and applicable tax rate

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before Income tax expense (₹ Mn)	(72,966.83)	(14,190.03)
<b>Applicable Tax Rate</b>	<b>34.61%</b>	<b>34.61%</b>
Increase / reduction in taxes on account of :		
Effects of changes in tax rate	(0.07)%	-
Effects of expenses that are not deductible in determining the taxable profits	(0.09)%	(0.64)%
Effect of previously unrecognised tax credits, now recorded	-	7.42%
Other Items	0.03%	0.04%
<b>Effective Tax Rate</b>	<b>34.48%</b>	<b>41.43%</b>

### 56. MOVEMENT IN DEFERRED TAX

Particulars	₹ Mn							
	As at April 1, 2016	Recognised in			As at March 31, 2017	Recognised in		As at March 31, 2018
		Profit and Loss	OCI	Transfer to ICISL		Profit and Loss	OCI	
<b>Liabilities</b>								
Depreciation & Amortisation	30,954.72	21,035.59	-	167.42	52,157.73	13,888.99	-	66,046.72
Effects of re-measuring financial instruments & other liabilities	856.56	(782.97)	-	-	73.59	468.13	-	541.72
Effects of Inflation linked escalation on rental income/expense not requiring equalisation over lease term	2,084.75	(2,084.75)	-	-	-	-	-	-
Investment in Subsidiaries and Associates	3,719.09	(1.96)	-	-	3,717.13	69.94	-	3,787.07
Others	147.41	(147.41)	-	-	-	-	-	-
<b>Total (A)</b>	<b>37,762.53</b>	<b>18,018.50</b>	<b>-</b>	<b>167.42</b>	<b>55,948.45</b>	<b>14,427.06</b>	<b>-</b>	<b>70,375.51</b>
<b>Assets</b>								
Tax Losses	-	22,179.46	-	-	22,179.46	38,854.54	-	61,034.00
Expenses allowable on Payment Basis	1,627.88	204.77	17.13	(40.68)	1,809.10	173.71	(148.36)	1,834.45
Provisions for doubtful debts / advances	1,373.07	649.95	-	(4.15)	2,018.87	551.53	-	2,570.40
MAT credit	12,267.58	855.82	-	-	13,123.40	-	-	13,123.40
Others	136.70	7.78	-	(117.93)	26.55	6.28	-	32.83
<b>Total (B)</b>	<b>15,405.23</b>	<b>23,897.78</b>	<b>17.13</b>	<b>(162.76)</b>	<b>39,157.38</b>	<b>39,586.06</b>	<b>(148.36)</b>	<b>78,595.08</b>
<b>Net Deferred Tax Liabilities/ (assets) (A-B)</b>	<b>22,357.30</b>	<b>(5,879.28)</b>	<b>(17.13)</b>	<b>330.18</b>	<b>16,791.07</b>	<b>(25,159.00)</b>	<b>148.36</b>	<b>(8,219.57)</b>

## Notes forming part of the Financial Statements

### 57. BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Nominal value of equity shares (₹)	10/-	10/-
Loss after Tax (₹ Mn)	(47,807.83)	(8,310.75)
Loss attributable to equity shareholders (₹ Mn)	(47,807.83)	(8,310.75)
Weighted average number of equity shares outstanding during the year	3,692,852,565	3,601,290,214
Basic Earnings Per Share (₹)	(12.95)	(2.31)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	3,692,852,565	3,601,290,214
Diluted Earnings Per Share (₹)	(12.95)	(2.31)

\*As the Company has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

### 58. RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exists are subsidiaries, joint venture and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

#### List of subsidiaries

Relationship	Related Party
Subsidiaries (Subs)	Aditya Birla Telecom Limited
	Idea Cellular Infrastructure Services Limited
	Idea Cellular Services Limited
	Idea Mobile Commerce Services limited (ceased to exist from February 22, 2018)
	Idea Telesystems Limited

Apart from the above, the Company has transactions with the below related parties

Relationship	Related Party	
Associate	Aditya Birla Idea Payments Bank Limited	
Joint Venture (JV)	Indus Towers Limited	
	Aditya Birla Capital Advisors Private Limited	
	Aditya Birla Finance Limited	
	Aditya Birla Capital Limited (Erstwhile Aditya Birla Financial Services Limited)	
	Aditya Birla Financial Shared Services Limited	
	Aditya Birla Health Insurance Company Limited	
	Aditya Birla Housing Finance Limited	
	Aditya Birla Insurance Brokers Limited	
	Aditya Birla Money Limited	
	Entities having significant influence	Aditya Birla Money Mart Limited (ABMML)
		Aditya Birla Nuvo Limited (merged with Grasim effective from July 1, 2017)
		Axiata Group Berhad
		Axiata Investments 1 India Limited
		Axiata Investments 2 India Limited
		Birla Institute of Technology and Science Company
		Birla Sun Life Asset Management Company Limited
		Birla Sun Life Insurance Company Limited

## Notes forming part of the Financial Statements

Relationship	Related Party
	Birla TMT Holdings Private Limited
	Celcom Axiata Berhad
	Dialog Axiata PLC- Sri Lanka
	Grasim Industries Limited
	Hindalco Industries Limited
	PT. XL Axiata, Tbk
	Robi Axiata Limited
	Smart Axiata Co. Ltd
	UltraTech Cement Limited
Key Management Personnel (KMP)	Smt. Rajashree Birla
	Mr. Kumar Mangalam Birla
	Ms. Alka Bharucha (Effective from December 26, 2016 and ceased from March 31, 2018)
	Mr. Akshaya Moondra
	Mr. Arun Thiagarajan
	Mr. Himanshu Kapania
	Mr. Mohan Gyani
	Mr. P. Murari
	Mr. Baldev Raj Gupta (Effective from May 13, 2017)
	Dr. Shridhir Sariputta Hansa Wijayasriya (Representative of Axiata and ceased from March 30, 2018)
	Mr. R.C. Bhargava (Ceased from October 1, 2016)
	Mr. Sanjeev Aga
Ms. Madhabi Puri Buch (Ceased from April 3, 2017)	
Ms. Tarjani Vakil	
Others	Agora Advisory Private Limited
	Bharucha and Partners
	Breach Candy Hospital and Research Centre
	Citec Engineering India Private Limited
	G.D. Birla Medical Research & Education Foundation
	Ncell Private Limited
	Bhubaneshwari Coal Mining Limited
	Svatantra Microfin Private Limited
Trust*	ICL Employee's Group Gratuity Scheme
	ICL Employee Superannuation Scheme
	Spice Communications Limited Employee Superannuation Scheme
	Idea Cellular Infrastructure Services Limited Employee's Group Gratuity Scheme
	Idea Cellular Services Limited Employee's Superannuation Scheme
	Idea Mobile Commerce Services Limited Employee's Group Gratuity Scheme

\*Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 52 for information on transactions with post-employment benefit plans mentioned above.

## Notes forming part of the Financial Statements

### A. Transactions with Related Parties for the year ended March 31, 2018 and March 31, 2017

Particulars	₹ Mn					
	Associate	Entities having significant influence	JV	KMP	Others	Subs
Sale of service	0.98 (0.16)	199.58 (167.26)	8.49 (10.00)	0.04 (0.05)	39.50 (1.38)	43.92 (54.53)
Rent Income	-	-	-	-	-	8.39 (7.66)
Purchase of service	-	34.74 (80.21)	37,652.81 (40,615.45)	-	252.05 (23.79)	8,210.46 (6,454.76)
Purchase of goods	-	-	-	-	-	74.29 (113.42)
ESOP Cost	-	-	-	-	-	(5.03) (7.29)
Remuneration*	-	-	-	73.83 (117.43)	-	-
Rent expense	-	-	-	-	-	9.58 (9.62)
Commission	0.50	-	-	-	-	8.63 (18.59)
Non-Compete Fee expense	-	-	-	15.00 (15.00)	-	-
Directors' Commission and sitting fees paid	-	0.30 (1.66)	-	3.44 (152.35)	-	-
Interest expense on Inter Corporate Deposit (ICD)	-	-	-	-	-	291.54 (255.70)
Interest expense on NCD	-	5.54 (9.45)	-	-	-	-
Expense incurred on behalf of	0.35	0.45 (0.52)	-	-	-	56.95 (48.69)
Expense incurred on Company's behalf by	-	0.24	-	-	-	0.26 (1.89)
Dividend paid on equity shares	-	-	-	-	-	-
ICD Taken	-	(1,339.47)	-	(0.59)	-	-
ICD Repaid	-	-	-	-	-	19,110.00 (11,100.00)
Investments	991.49# (173.71)~	-	-	-	-	- (601.00)^
Sale of Fixed Assets	1.78 (8.99)	-	-	-	-	- (1.01)
Security Deposit given	-	-	-	-	-	6.71 (374.45)
Security Deposit refunded	-	-	-	-	-	540.09
Insurance premium (including advance given)	-	309.24 (377.53)	-	-	-	-
Contribution towards Gratuity	-	-	-	-	-	-
Contribution towards CSR	-	(200.00)	-	-	-	-
	-	-	-	-	(160.00)	-

(Figures in bracket are for the year ended March 31, 2017)

\*excludes charge taken towards share based payments.

#excludes shares received in lieu of shares held in IMCSL pursuant to merger of IMCSL with ABIPBL (Refer Note 40(iii)).

~includes advance given for purchase of shares

^The above does not include the transfer of tower infrastructure undertaking as per the business transfer arrangement.

## Notes forming part of the Financial Statements

### B. Balances with Related Parties

Particulars						₹ Mn
	Associate	Entities having significant influence	Joint Venture	KMP	Others	Subs
Trade and other receivables	25.80 (0.14)	14.32 (8.29)	2.82 (0.16)	-	0.14 (0.33)	62.56 (41.46)
Trade and other payables	0.41 (20.17)	12.67 (0.72)	5,229.18 (5,909.88)	-	8.78 (109.94)	154.76 (671.54)
Security Deposit (included in other non-financial assets)	-	-	1,000.00 (1,000.00)	-	-	- (535.79)
Other current asset (included in Other Current Financial Assets)	-	39.67 (39.38)	-	-	-	0.33 -
9.45% Redeemable Non-Convertible Debentures (included in Borrowings)	-	- (100.00)	-	-	-	- -
Interest Accrued but not due	-	- (3.92)	-	-	-	- -
Remuneration payable	-	-	-	7.95 (45.08)	-	- -
Deposit Given	-	-	-	-	-	2.39 -

(Figures in bracket are for the year ended March 31, 2017)

### C. Commitments with related parties

Particulars	₹ Mn			
	As at March 31, 2018		As at March 31, 2017	
	JV	Subs	JV	Subs
Lease commitment	134,185.30	36,249.72	125,969.39	40,067.32
Opex Commitment (Net of provision)	-	0.99	-	0.66
<b>Total</b>	<b>134,185.30</b>	<b>36,250.71</b>	<b>125,969.39</b>	<b>40,067.98</b>

### D. Compensation of Key Management Personnel of the Company

Particulars	₹ Mn	
	March 31, 2018	March 31, 2017
Short-term employee benefits	70.99	114.68
Post-employment benefits*	2.84	2.75
Share-based payment transactions	(22.73)*	41.96

\*represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

# the charge for the year is net of reversal on account of cancellation of unvested options.

### 59. DISCLOSURE AS PER THE REQUIREMENT OF REGULATION 34 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 :

The amounts at the year end and the maximum amount of loans & advances outstanding during the year ending March 31, 2018 is ₹ Nil (Previous year ₹ Nil)

### 60. The Company is one of the members of Aditya Birla Management Corporation Private Limited, a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Statement of Profit and Loss.



## Notes forming part of the Financial Statements

### 61. FINANCIAL INSTRUMENTS

- a) **Financial Instruments by Category:** The following table provides categorization of all financial instruments at carrying value except non-current investments in subsidiaries and associates (including advance given for purchase of shares) which are carried at cost.

₹ Mn

Particulars	As at March 31, 2018		As at March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Current Investments	45,278.53	-	40,247.09	-
Trade Receivables	-	8,873.84	-	12,580.95
Loans to Employees	-	44.16	-	46.42
Cash and cash equivalents	-	189.86	-	268.60
Bank balance other than cash and cash equivalents	-	-	-	44.05
Deposits with Body Corporates, Government Authorities and Others*	-	4,398.35	-	5,356.38
Interest receivable	-	0.29	-	0.19
Derivative Financial Assets*	27.90	-	13.69	-
Others*	68.17	-	69.87	-
<b>Total Financial Assets</b>	<b>45,374.60</b>	<b>13,539.07</b>	<b>40,330.65</b>	<b>18,296.59</b>
<b>Financial Liabilities</b>				
Fixed Rate Borrowings including interest accrued but not due	-	493,396.59	-	511,240.90
Floating Rate Borrowings including interest accrued but not due	-	114,262.75	-	67,845.08
Trade Payables	-	35,604.58	-	39,921.33
Payables for Capital Expenditure*	-	29,523.15	-	45,727.29
Derivative Financial Liabilities#	112.12	-	1,898.34	-
Security Deposits from Customers and Others#	-	2,207.80	-	2,327.94
Others#	4.08	-	4.10	-
<b>Total Financial Liabilities</b>	<b>116.20</b>	<b>674,994.87</b>	<b>1,902.44</b>	<b>667,062.54</b>

\* included in other current / non-current financial assets

# included in other current / non-current financial liabilities

- b) **Fair value hierarchy**

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018

₹ Mn

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current Investments	45,278.53	-	-	45,278.53
Derivative Financial Assets	-	27.90	-	27.90
Others	-	68.17	-	68.17
<b>Total Financial Assets</b>	<b>45,278.53</b>	<b>96.07</b>	<b>-</b>	<b>45,374.60</b>
<b>Financial Liabilities</b>				
Derivative Financial Liabilities	-	112.12	-	112.12
Others	-	4.08	-	4.08
<b>Total Financial Liabilities</b>	<b>-</b>	<b>116.20</b>	<b>-</b>	<b>116.20</b>

## Notes forming part of the Financial Statements

- ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2017

					₹ Mn
Particulars	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>					
Current Investments	40,247.09	-	-	40,247.09	
Derivative Financial Assets	-	13.69	-	13.69	
Others	-	69.87	-	69.87	
<b>Total Financial Assets</b>	<b>40,247.09</b>	<b>83.56</b>	-	<b>40,330.65</b>	
<b>Financial Liabilities</b>					
Derivative Financial Liabilities	-	1,898.34	-	1,898.34	
Others	-	4.10	-	4.10	
<b>Total Financial Liabilities</b>	-	<b>1,902.44</b>	-	<b>1,902.44</b>	

- iii. The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

a) **Financial Assets**

- Trade receivables
- Deposits with Body Corporates, Government Authorities and Others
- Loans to Employees
- Cash and cash equivalents
- Bank balances other than cash and cash equivalents
- Interest receivable

b) **Financial Liabilities**

- Trade payables
- Payable for capital expenditure
- Security Deposits from Customers and Others

- iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

					₹ Mn
Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Fixed rate borrowings including interest accrued but not due* :</b>					
As at March 31, 2018	493,396.59	-	531,474.15	-	531,474.15
As at March 31, 2017	511,240.89	-	529,377.06	-	529,377.06

\*includes Deferred Payment Liability, NCD and others.

c) **Valuation Technique used to determine fair value**

Fair value of quoted current investments in Mutual Funds is based on price quotations at the reporting date.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

## Notes forming part of the Financial Statements

### 62. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Company also enters into derivative transactions such as foreign forward exchange contracts, Interest rate swaps as a part of Company's financial risk management policies. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. A team of qualified finance professionals with appropriate skills and experience provides assurance to the management that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, bank deposits, investments and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2018, after taking into account the effect of interest rate swaps, approximately 80.70% of the Company's borrowings are at a fixed rate of interest (Previous year: 88.06%).

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

			₹ Mn
Particulars	Increase/decrease in basis points	Effect on profit before tax	
<b>March 31, 2018</b>			
INR – Borrowings	+ 100	(800.00)	
	- 100	800.00	
USD- Borrowings	+ 100	(318.05)	
	- 100	318.05	
<b>March 31, 2017</b>			
INR – Borrowings	+ 100	(480.00)	
	- 100	480.00	
USD- Borrowings	+ 100	(174.40)	
	- 100	174.40	

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

#### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

## Notes forming part of the Financial Statements

At March 31, 2018, the Company hedged 27.19% (Previous year: 53.82%), of its foreign currency trade payables and 10.05% (Previous year: 21.14%) of its foreign currency loan. This foreign currency risk is hedged by using foreign currency forward contracts.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ Mn		
Currency exposure	Change in currency exchange rate	Effect on profit before tax
<b>March 31, 2018</b>		
USD	+5%	(2,057.76)
	-5%	2,057.76
<b>March 31, 2017</b>		
USD	+5%	(1,951.00)
	-5%	1,951.00

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transactions when they occur.

### c) Price risk

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund 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 the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

### d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### - Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days credit terms. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Company, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90 days from date of billing and b) for receivables on account of roaming, IUC and passive infrastructure sharing remaining unpaid beyond 180 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Statement of Profit and Loss. Refer Note 14 for the carrying amount of credit exposure as on the Balance Sheet date.

#### - Other financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's Treasury Department on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## Notes forming part of the Financial Statements

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2018 and March 31, 2017 on its carrying amounts as disclosed in notes 10, 15, 16 and 17 except for derivative financial instruments. The Company's exposure relating to financial derivative instruments is noted in note 62(e) and the liquidity table below

### e) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Approximately 1.80% of the Company's debt will mature in less than one year at March 31, 2018 (Previous year: 6.20%) based on the carrying value of borrowings reflected in the financial statements. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	₹ Mn				
	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	Total payments
<b>As at March 31, 2018</b>					
Borrowings and Interest thereon*	607,659.34	31,702.26	469,625.74	577,507.68	1,078,835.68
Trade and other payables#	65,127.73	65,127.73	-	-	65,127.73
Other financial liabilities**	2,211.88	2,189.24	22.64	-	2,211.88
<b>Subtotal (A)</b>	<b>674,998.95</b>	<b>99,019.23</b>	<b>469,648.38</b>	<b>577,507.68</b>	<b>1,146,175.29</b>
Derivatives liabilities	112.12	112.12	-	-	112.12
Derivatives assets^	(27.90)	(27.90)	-	-	(27.90)
<b>Subtotal (B)</b>	<b>84.22</b>	<b>84.22</b>	<b>-</b>	<b>-</b>	<b>84.22</b>
<b>Total (A+B)</b>	<b>675,083.17</b>	<b>99,103.45</b>	<b>469,648.38</b>	<b>577,507.68</b>	<b>1,146,259.51</b>
<b>As at March 31, 2017</b>					
Borrowings and Interest thereon*	579,085.98	63,021.23	377,908.16	470,531.22	911,460.61
Trade and other payables#	85,648.62	85,605.27	43.35	-	85,648.62
Other financial liabilities**	2,332.04	2,295.53	36.51	-	2,332.04
<b>Subtotal (A)</b>	<b>667,066.64</b>	<b>150,922.03</b>	<b>377,988.02</b>	<b>470,531.22</b>	<b>999,441.27</b>
Derivatives liabilities	1,898.34	1,898.34	-	-	1,898.34
Derivatives assets^	(13.69)	-	(13.69)	-	(13.69)
<b>Subtotal (B)</b>	<b>1,884.65</b>	<b>1,898.34</b>	<b>(13.69)</b>	<b>-</b>	<b>1,884.65</b>
<b>Total (A+B)</b>	<b>668,951.29</b>	<b>152,820.37</b>	<b>377,974.33</b>	<b>470,531.22</b>	<b>1,001,325.92</b>

\*Interest accrued but not due of ₹ 27,808.03 Mn (Previous year: ₹ 28,551.02 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon.

#Payable for capex expenditure of ₹ 29,523.15 Mn (Previous year: ₹ 45,727.29 Mn) has been excluded from other financial liabilities and included in trade and other payables.

^Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

### 63. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents and investment in liquid mutual funds.

## Notes forming part of the Financial Statements

₹ Mn

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings	569,624.94	516,714.78
Current Maturities of long term debts	10,226.37	33,820.18
Less: Investment in liquid mutual funds	(45,278.53)	(40,247.09)
Less: Cash and cash equivalents	(189.86)	(268.60)
Less: Bank balance other than cash and cash equivalents	(32.57)	(44.05)
<b>Net debt (A)</b>	<b>534,350.35</b>	<b>509,975.22</b>
Equity share capital	43,593.21	36,053.28
Other Equity	213,101.87	201,184.31
<b>Total Equity (B)</b>	<b>256,695.08</b>	<b>237,237.59</b>
<b>Debt-equity ratio (A)/(B)</b>	<b>2.08</b>	<b>2.15</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call the consequences attached with the same. There is no breach in such covenants as of March 31, 2018.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

64. During the previous year, the Company had paid / accrued remuneration amounting to ₹ 100.46 Mn to its Managing Director, Mr. Himanshu Kapania which was in excess of the limits specified in section 197 of Companies Act, 2013 ('the Act') read with Schedule V thereto as the Company did not have profits. Subsequently, during the current year, the Company has obtained approval from central government / shareholders for the excess remuneration paid.
65. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary



## Independent Auditor's Report

To the Members of  
Idea Cellular Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Idea Cellular Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 statement of changes in equity of the Group including its associate and joint venture in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2018, their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

We draw your attention to Note 42 A (i) of the consolidated Ind AS financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunications (DoT) demand notices for one time spectrum charges. Our report is not qualified in respect of this matter.

### Other Matter

The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 13, 2017.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of 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 Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate and joint venture incorporated in India, none of the directors of the Group's companies, its associate and joint venture incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate and joint venture incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture – Refer Note 42 to the consolidated Ind AS financial statements;
  - ii. The Group, its associate and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;
  - iii. There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint venture incorporated in India during the year ended March 31, 2018.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**Prashant Singhal**

Partner

Membership Number: 93283

Place : Mumbai

Date : April 28, 2018

## Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Idea Cellular Limited

### Report on the Internal Financial Controls 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 Idea Cellular Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Idea Cellular Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate and joint venture, 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 Holding Company 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 Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### 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, the Holding Company, its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, have, maintained 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 internal control over financial reporting criteria established by the Holding Company 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.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### Prashant Singhal

Partner

Membership Number: 93283

Place : Mumbai

Date : April 28, 2018

## Consolidated Balance Sheet as at March 31, 2018

Particulars	Notes	₹ Mn	
		As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	244,549.33	228,442.96
Capital work-in-progress		6,512.98	13,302.99
Goodwill on consolidation		61.20	61.20
Other Intangible assets	8	552,308.61	539,128.25
Intangible assets under development	8	29,339.89	62,048.00
<b>Financial assets</b>			
Investments accounted for using the equity method	9	16,601.12	14,784.75
Long term loans to employees		24.00	25.93
Other non-current financial assets	10	4,180.01	4,864.75
Deferred tax assets(net) (refer note 56)		12,051.57	368.97
Other non-current assets	11	17,797.36	27,693.89
<b>Total non-current assets (A)</b>		<b>883,426.07</b>	<b>890,721.69</b>
<b>Current assets</b>			
Inventories	12	366.65	587.97
<b>Financial assets</b>			
Current investments	13	56,304.30	48,997.52
Trade receivables	14	8,873.86	13,139.21
Cash and cash equivalents	15	193.15	782.46
Bank balance other than cash and cash equivalents	16	98.19	44.97
Current portion of loans to employees		20.16	20.75
Other current financial assets	17	313.74	399.09
Current tax assets (Net)		7,751.69	25.10
Other current assets	18	17,914.97	12,312.07
<b>Total current assets (B)</b>		<b>91,836.71</b>	<b>76,309.14</b>
<b>Assets classified as held for sale (AHFS) (refer note 40(i)) (C)</b>	19	<b>10,508.87</b>	<b>16.11</b>
<b>Total Assets (A+B+C)</b>		<b>985,771.65</b>	<b>967,046.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	43,593.21	36,053.28
Other equity	21	229,031.39	211,269.16
<b>Total equity (A)</b>		<b>272,624.60</b>	<b>247,322.44</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long term borrowings	22	569,408.00	516,378.28
Other non-current financial liabilities	23	26,061.68	10,381.81
Long term provisions	24	3,107.49	3,842.29
Deferred tax liabilities (net) (refer note 56)		659.35	13,587.10
Other non-current liabilities	25	5,601.19	4,920.46
<b>Total non-current liabilities (B)</b>		<b>604,837.71</b>	<b>549,109.94</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Short term borrowings	26	216.94	347.09
Trade payables (refer note 58)		35,479.09	40,776.67
Other current financial liabilities	27	43,820.06	102,560.08
Other current liabilities	28	26,597.11	26,732.08
Short term provisions	29	223.69	198.64
<b>Total current liabilities (C)</b>		<b>106,336.89</b>	<b>170,614.56</b>
<b>Liabilities classified as held for sale (refer note 40(i)) (D)</b>		<b>1,972.45</b>	<b>-</b>
<b>Total Equity and Liabilities (A+B+C+D)</b>		<b>985,771.65</b>	<b>967,046.94</b>
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. Batliboi &amp; Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Prashant Singhal

Partner

Membership No.: 93283

Place : Mumbai

Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan

Director

(DIN No. 00292757)

Himanshu Kapania

Managing Director

(DIN No. 03387441)

Tarjani Vakil

Director

(DIN No. 00009603)

Akshaya Moondra

Whole time Director &amp;

Chief Financial Officer

(DIN No. 02606784)

Pankaj Kapdeo

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2018

₹ Mn

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Service revenue		282,419.89	355,298.44
Sale of Trading Goods		51.28	228.11
Other operating income	30	318.22	230.82
<b>Revenue from operations</b>		<b>282,789.39</b>	<b>355,757.37</b>
Other income	31	3,529.30	3,069.35
<b>TOTAL INCOME</b>		<b>286,318.69</b>	<b>358,826.72</b>
<b>OPERATING EXPENDITURE</b>			
Cost of Trading Goods		72.58	279.19
Employee benefit expenses	32	15,430.43	17,976.45
Network expenses and IT outsourcing cost	33	97,333.64	101,817.03
License fees and spectrum usage charges	34	28,667.17	40,514.83
Roaming and access charges	35	35,357.85	42,754.44
Subscriber acquisition and servicing expenditure	36	27,942.25	30,282.23
Advertisement, business promotion expenditure and content cost	37	8,147.50	9,412.50
Other expenses	38	9,362.43	10,284.10
		<b>222,313.85</b>	<b>253,320.77</b>
<b>PROFIT BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION, SHARE OF PROFIT/(LOSS) OF JOINT VENTURE AND ASSOCIATES AND TAX</b>		<b>64,004.84</b>	<b>105,505.95</b>
Fair value (gain) / loss on Compulsorily Convertible Preference Shares (CCPS)		-	290.15
Finance costs	39	48,129.69	39,794.37
Depreciation	7	50,629.75	49,913.76
Amortisation	8	33,461.21	28,358.28
<b>LOSS BEFORE TAX AND SHARE OF PROFIT / (LOSS) OF JOINT VENTURE AND ASSOCIATE</b>		<b>(68,215.81)</b>	<b>(12,850.61)</b>
Add: Share in Profits of Joint Venture		3,457.88	4,302.93
Add: Share in Loss of Associate		(234.35)	(84.67)
<b>LOSS BEFORE TAX</b>		<b>(64,992.28)</b>	<b>(8,632.35)</b>
Tax expense:			
- Current tax	55	1,233.90	990.09
- Deferred tax	55	(24,544.58)	(5,625.48)
<b>LOSS AFTER TAX</b>		<b>(41,681.60)</b>	<b>(3,996.96)</b>
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/ (losses) of defined benefit plans	52	441.41	(56.82)
Income tax effect	55	(151.81)	19.30
Group's share in other comprehensive income of joint venture and associate (net of taxes)		(6.92)	(5.82)
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>282.68</b>	<b>(43.34)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(41,398.92)</b>	<b>(4,040.30)</b>
<b>Earnings per equity share of ₹ 10 each:</b>	57		
Basic (₹)		(11.36)	(1.23)
Diluted (₹)		(11.36)	(1.23)
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended March 31, 2018

### A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 10 each issued, subscribed and fully paid

	Numbers	₹ Mn
As at April 1, 2016	3,600,509,378	36,005.09
Issue of shares under Employee Stock Option Scheme (ESOS)	4,818,853	48.19
As at March 31, 2017	<b>3,605,328,231</b>	<b>36,053.28</b>
Issue of shares under Employee Stock Option Scheme (ESOS)	3,117,110	31.18
Preferential allotment of equity shares (refer note 40 (iv))	326,633,165	3,266.33
Allotment of equity shares under Qualified Institutional Placement (QIP) (refer note 40 (v))	424,242,424	4,242.42
As at March 31, 2018	<b>4,359,320,930</b>	<b>43,593.21</b>

### B. OTHER EQUITY:

Particulars	Reserves and Surplus					Total
	Debtore redemption reserve	Securities premium	Employee stock options reserve	General reserve	Retained earnings	
As at April 1, 2016	483.21	103,837.69	1,352.29	168.66	93,657.93	199,499.78
Loss for the year					(3,996.96)	(3,996.96)
Other comprehensive loss for the year					(43.34)	(43.34)
<b>Total comprehensive income</b>					<b>89,617.63</b>	
Dividend					(2,160.62)	(2,160.62)
Dividend distribution tax					(439.85)	(439.85)
Issue of shares under ESOS		48.66				48.66
Transfer from retained earnings	833.72				(833.72)	-
Share-based payment expenses (refer note 51)			432.35			432.35
Transfer to Securities premium account on exercise of options		443.32	(443.32)			-
Group's share of additional depreciation in joint venture on fair valued assets / physical verification adjustments pursuant to scheme					(423.17)	(423.17)
Conversion of CCPS Liability to Equity Shares and subsequent extinguishment of these equity shares as per the High Court approved Scheme		29,039.60			(10,687.29)	18,352.31
As at March 31, 2017	<b>1,316.93</b>	<b>133,369.27</b>	<b>1,341.32</b>	<b>168.66</b>	<b>75,072.98</b>	<b>211,269.16</b>
Loss for the year					(41,681.60)	(41,681.60)
Other comprehensive income for the year					282.68	282.68
<b>Total comprehensive income</b>					<b>33,674.06</b>	
Issue of shares under ESOS		27.10				27.10
Preferential allotment of equity shares (Net of share issue expenses of ₹ 34.84 Mn) (refer note 40(iv))		29,198.83				29,198.83
Allotment of equity shares under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309.44 Mn) (refer note 40(v))		30,448.13				30,448.13
Transfer from retained earnings	3,090.96				(3,090.96)	-
Share-based payment expenses* (refer note 51)			(228.99)			(228.99)
Transfer to Securities premium account on exercise of options		310.36	(310.36)			-
Group's share of additional depreciation in joint venture on fair valued assets / physical verification adjustments pursuant to scheme					(283.92)	(283.92)
As at March 31, 2018	<b>4,407.89</b>	<b>193,353.69</b>	<b>801.97</b>	<b>168.66</b>	<b>30,299.18</b>	<b>229,031.39</b>

\* The charge for the year is net of reversal on account of cancellation of unvested options.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

Prashant Singhal

Partner

Membership No.: 93283

Place : Mumbai

Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan

Director

(DIN No. 00292757)

Himanshu Kapania

Managing Director

(DIN No. 03387441)

Tarjani Vakil

Director

(DIN No. 00009603)

Akshaya Moondra

Whole time Director &

Chief Financial Officer

(DIN No. 02606784)

Pankaj Kapdeo

Company Secretary



## Statement of Consolidated Cash Flows for the year ended March 31, 2018

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A) Cash Flow from Operating Activities</b>		
Loss before Tax	(64,992.28)	(8,632.35)
Adjustments For:		
Share in profits / (loss) of joint venture and associate (net)	(3,223.53)	(4,218.26)
Depreciation	50,629.75	49,913.76
Amortisation	33,461.21	28,358.28
Gain on disposal of property, plant and equipment & intangible assets	(274.11)	(176.19)
Finance costs	48,129.69	39,794.37
Other Income	(3,529.30)	(3,069.35)
Bad debts / advances written off	59.42	104.16
Allowance for doubtful debts / advances	1,629.51	1,869.01
Share based payment expenses (ESOS)	(228.99)	432.35
Provision for gratuity and compensated absences	253.76	322.83
Liabilities / provisions no longer required written back	(222.97)	(151.26)
	126,684.44	113,179.70
<b>Operating Profit before Working Capital Changes</b>	<b>61,692.16</b>	<b>104,547.35</b>
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade receivables	1,995.23	(3,614.16)
(Increase)/Decrease in Inventories	221.32	477.44
(Increase)/Decrease in Other financial and non financial assets	(2,483.41)	(2,537.89)
Increase /(Decrease) in Trade Payables	(4,557.71)	8,456.65
Increase /(Decrease) in Other financial & non financial liabilities	620.20	4,235.74
	(4,204.37)	7,017.78
<b>Net Cash generated from Operations</b>	<b>57,487.79</b>	<b>111,565.13</b>
Income Tax paid (including TDS) (net)	(4,164.23)	(6,808.39)
<b>Net Cash generated from Operating Activities (A)</b>	<b>53,323.56</b>	<b>104,756.74</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of property, plant & equipment and Intangible assets (including CWIP)	(86,508.10)	(53,312.81)
Payment towards Spectrum and Licenses - Upfront payment	-	(66,207.00)
Payment towards Spectrum and Licenses - Deferred payment liability	-	(7,181.60)
Proceeds from sale of Property, plant & equipment and Intangible assets	493.48	382.42
Investment in Aditya Birla Idea Payments Bank Limited (including advance given for purchase of shares)*	(991.49)	(173.70)
Net proceeds from sale / (purchase) of Current Investment	(8,384.68)	(33,298.21)
Interest received	16.74	611.40
Dividend received from Joint Venture	2,657.36	3,622.58
<b>Net Cash flows from/(used) in Investing Activities (B)</b>	<b>(92,716.69)</b>	<b>(155,556.92)</b>
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital under ESOS	58.28	96.85
Proceeds from allotment of equity share under Qualified Institutional Placement (QIP) (Net of share issue expenses of ₹ 309.44 Mn) (refer note 40(v))	34,690.55	-
Proceeds from Preferential allotment of equity shares (Net of share issue expenses of ₹ 34.84 Mn)(refer note 40(iv))	32,465.16	-
Amount paid on extinguishment of Equity Shares held by P5 as per high court approved scheme	-	(4,550.00)
Proceeds from Long Term Borrowings	44,950.00	115,155.79
Repayment of Long Term Borrowings	(18,015.22)	(15,859.04)
Net Proceeds / (Repayment) of Short Term Borrowings	-	(15,000.00)
Payment of Dividend, including Dividend Distribution Tax	(0.02)	(2,598.89)
Payment of Interest and Finance Charges*	(54,900.01)	(32,183.42)
<b>Net Cash flows from/(used) in Financing Activities (C)</b>	<b>39,248.74</b>	<b>45,061.29</b>
<b>Net Decrease in Cash and Cash Equivalents during the year (A+B+C)</b>	<b>(144.39)</b>	<b>(5,738.89)</b>
Cash and Cash Equivalents at the beginning of the year	435.37	6,174.26
Less: Cash & Cash Equivalent of ICISL at the end of year classified as AHFS (refer note 40(i))	295.67	-
Less: Cash & Cash Equivalent of IMCSL (refer note 40(iii))	19.10	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>(23.79)</b>	<b>435.37</b>

(\*)excludes value of shares allotted on merger of IMCSL, being non-cash transaction.

(\*)includes interest payment on deferred payment liabilities forming part of long term borrowings

## Statement of Consolidated Cash Flows for the year ended March 31, 2018

### Notes to Statement of Cash Flows for the year ended March 31, 2018

#### 1. Cash and Cash Equivalents include the following Balance Sheet amounts

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash on hand	9.81	8.93
Cheques on hand	28.32	63.62
Balance in bank in Current Accounts	155.02	709.91
<b>Sub Total</b>	<b>193.15</b>	<b>782.46</b>
Bank overdrafts which forms an integral part of cash management (disclosed under short term borrowings in Balance sheet)	(216.94)	(347.09)
	<b>(23.79)</b>	<b>435.37</b>

#### 2. Disclosure of changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	₹ Mn		
	Long term Borrowings including current maturities	Changes in Derivative Assets / Liabilities	Interest accrued but not due
<b>Balance as at April 1, 2017</b>	<b>550,198.46</b>	<b>1,884.82</b>	<b>28,551.02</b>
(i) Cash Flows items			
Net proceed / (repayment) of borrowings	26,934.78	-	-
Payment of Interest & Finance Charges	(22,403.00)	(1,759.13)	(30,737.88)
(ii) Non - Cash items			
Foreign exchange (gain) / loss	81.12	-	(81.12)
Accrued interest on sub-judice matters	-	-	(472.61)
Finance Cost accrued (charged to Profit and Loss / capitalised)	-	(41.53)	52,239.15
Upfront fees amortisation	524.30	-	(524.30)
Interest on ARO	-	-	(47.46)
Deferred payment liability for spectrum on allotment of Spectrum	3,180.00	-	-
Accrued interest on deferred payment liability for spectrum transferred to borrowing on anniversary date	21,118.71	-	(21,118.71)
Interest accrued but not due related to IMCSL (refer note 40(iii))	-	-	(0.06)
<b>Balance as at March 31, 2018</b>	<b>579,634.37</b>	<b>84.16</b>	<b>27,808.03</b>

#### 3. The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

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

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary

## Notes forming part of the Consolidated Financial Statements

### 1. CORPORATE INFORMATION

Idea Cellular Limited ('the Company'), a public limited company, was incorporated under the provisions of the Companies Act applicable in India on March 14, 1995. It is a part of the Aditya Birla Group and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (Scrip Code BSE:532822; NSE:IDEA). The Company is amongst the top three telecom service providers in India with pan India operations. It is engaged in the business of Mobility and Long Distance services. The subsidiaries are in the business of trading of Handsets and Data cards and passive infrastructure services. The Joint Venture is in the business of providing passive infrastructure services and the associate is in the business of providing payments bank services.

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on April 28, 2018.

### 2. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Company, its subsidiary companies (together referred to as the "Group"), joint venture and associate comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Statement of Consolidated Cash Flows together with the consolidated notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 3. BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date.

All financial information presented in INR has been rounded off to the nearest two decimals of Million unless otherwise stated.

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.

The consolidated financial statements have been prepared in accordance with Ind AS 110 on Consolidated Financial Statements.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- Has the ability to affect those returns through its power to direct the relevant activities of the investee.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than majority of voting or similar rights over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Rights arising from other contractual arrangements;
- Potential voting rights held by the Group.

The consolidated financial statements of the group are prepared based on a line by line consolidation of the separate financial statements of the Company and its subsidiaries whereby the book values of like items of assets, liabilities, income, expenses and tax have been added after eliminating intra-group balances, transactions and resulting unrealised gains or losses.

Subsidiaries are consolidated from the date on which control is acquired by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

The financial statements of the following entities in the Group are prepared using uniform accounting policies and are drawn up to the same accounting period as that of the Company.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2018	March 31, 2017
1.	Idea Telesystems Limited ("ITL")	Subsidiary	100.00	100.00
2.	Aditya Birla Telecom Limited ("ABTL")	Subsidiary	100.00	100.00
3.	Idea Cellular Services Limited ("ICSL")	Subsidiary	100.00	100.00
4.	Idea Cellular Infrastructure Services Limited ("ICISL")	Subsidiary	100.00	100.00
5.	Idea Mobile Commerce Services Limited ("IMCSL") (ceased to exist from February 22, 2018) (Refer Note 40(iii))	Subsidiary	-	100.00

## Notes forming part of the Consolidated Financial Statements

### Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The subsidiaries are deconsolidated from the date the Group loses control on such subsidiaries. When the group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### a) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and can be reliably measured, regardless of the timing of receipt of payment. Revenue is measured at fair value of the consideration received or receivable and is reduced for rebates and other similar allowances. Taxes and duties collected by the seller / service provider are to be deposited with the government and not received by the respective companies on their own account. Accordingly, it is excluded from revenue. The Group evaluates its exposure to significant risks and reward associated with the revenue arrangements in order to determine its position of a principal or an agent in this regard.

##### i. Revenue from supply of services and sale of goods

Revenue on account of telephony services (postpaid and prepaid categories, roaming, interconnect and long distance services) is recognised on rendering of services. Rental revenues in the postpaid category are recognised over the period of rendering of services. Recharge fees on recharge vouchers in case of prepaid category is recognised over the validity of such vouchers.

Revenue from other services (internet services, Mobile advertisement, revenue from toll free services, etc.) is recognised on rendering of services.

Revenue from sale of handsets, data cards and related accessories is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on the delivery of goods.

Revenue from passive infrastructure is recognised on accrual basis as per the contractual terms.

### Multiple element contracts:

For revenue arrangements having more than one deliverable, at the inception of the arrangement, the Group evaluates all deliverables in the arrangement to determine whether they represent separately identifiable components. Deliverables are considered for separate components if the following two conditions are met: (i) the deliverable has value to the customer on a stand-alone basis and (ii) there is evidence of the fair value of the item. The total arrangement consideration is allocated to each separate component based on its relative fair value.

##### ii. Indefeasible Right to Use (IRU)

The Group enters into agreements which entitle its customers the right to use of specified capacity of dark fibre / bandwidth capacity for a specific period of time. Under such arrangements, the rights to use the specified assets are given for a substantial part of the estimated useful life of such assets.

The contracted price received upfront in advance is treated as deferred revenue and is recognised on a straight line basis over the agreement period.

##### iii. Unbilled Income

Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

##### iv. Advance from Customers and Deferred Revenue

Advance from customers / deferred revenue represents amount received / billed in advance for which services have not been rendered up to the period end date.

##### v. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### vi. Dividends

Dividend Income is recognised when the Group's right to receive the payment is established.

##### b) Leases

The Group evaluates whether an arrangement is (or contains) a lease based on the substance of the arrangement at the inception of the lease. An arrangement which is dependent on the use of a specific asset or assets and conveys a right to use the asset or assets, even if it is not explicitly specified in an arrangement is (or contains) a lease.

## Notes forming part of the Consolidated Financial Statements

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### i. Group as a lessee

#### Finance lease:

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Such assets are depreciated/amortised over the period of lease or estimated useful life of the assets whichever is less. Contingent rentals are recognised as expenses in the periods in which they are incurred.

#### Operating lease:

Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising, if any, under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### ii. Group as a lessor

#### Finance lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and

recognised on a straight line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

### c) Employee benefits

#### i. Defined Contribution Plan

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Consolidated Statement of Profit and Loss when the employees have rendered service entitling them to the contributions.

The Group has no obligation other than contributions payable to these funds.

#### ii. Defined Benefit Plan

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund with the Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding charge or credit to Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Statement of Profit and Loss:

- Service costs; and
- Net interest expense or income

#### iii. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date. The related re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

## Notes forming part of the Consolidated Financial Statements

### iv. Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

In respect of any cancellation of stock options, the amount already charged as share based payment expense is reversed under the same head in the Consolidated Statement of Profit and Loss.

In respect of modification such as re-pricing of existing stock option, the difference in fair value of the option on the date of re-pricing is accounted for as share based payment expense over the remaining vesting period.

### d) Annual Revenue Share License Fees –and Spectrum Usage Charges

The variable license fees and annual spectrum usage charges, computed at prescribed rates of revenue share, are charged to the Consolidated Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprise of adjusted gross revenue as per the license agreement of the licensed service area.

### e) Foreign currency transactions

The Group's consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. Transactions in foreign currencies are initially recorded at the INR spot rate on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised on net basis within Finance cost in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions.

### f) Exceptional items

Items of income or expense 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 are disclosed as exceptional items in the Consolidated Statement of Profit and Loss.

### g) Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable income and calculated using the applicable tax rates and tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at the end of each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.



## Notes forming part of the Consolidated Financial Statements

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### h) Current / Non – Current Classification

An asset is classified as current when

- It is expected to be realized or consumed in the respective company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

- It is expected to be settled in the normal operating cycle of the respective companies;
- It is held primarily for the purposes of trading;
- It is expected to be settled within twelve months after the reporting period; or
- The respective companies have no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as non-current.

### i) Property, Plant and Equipment

Property, Plant and Equipment (PPE) and Capital work in progress (CWIP) held for use in the rendering of services and supply of goods or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment, non-refundable duties and borrowing cost relating to qualifying assets. In line with the transitional provisions, exchange differences on all foreign currency borrowings taken on or before March 31, 2016 are continued to be capitalised under PPE. CWIP represents cost of property, plant and equipment not ready for intended use as on the reporting date. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred. The present

value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provision are met.

Freehold Land is not depreciated. Depreciation on all other assets under PPE commences once such assets are available for use in the intended condition and location. Depreciation is provided using straight-line method on pro-rata basis over their estimated useful economic lives as given below. The useful life is taken as prescribed in Schedule II to the Companies Act, 2013 except where the estimated useful economic life has been assessed to be lower.

Asset Retirement Obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. ARO is measured based on present value of expected cost to settle the obligation.

Particulars	Estimated useful life (in years)
Buildings	25 to 30
Leasehold Improvements	Period of lease or 10 years whichever is lower
Network Equipments	7 to 13
Optical Fibre	15
Other Plant and Equipments	2 to 5
Office Equipments	3 to 5
Computers	3
Furniture and Fixtures	5 to 10
Motor Vehicles	2 to 5

An item of property, plant and equipment and any significant part which meets the criteria for asset held for sale will be reclassified from property, plant and equipment to asset held for sale. When any significant part of property, plant and equipment is discarded or replaced, the carrying value of discarded/ replaced part is derecognised. Any gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss on the date of retirement or disposal.

### j) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

## Notes forming part of the Consolidated Financial Statements

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on straight line method as under:

- Cost of spectrum and licenses is amortised on straight line method from the date when the related network is ready for use over the unexpired period of the license/ spectrum.
- Software, which is not an integral part of hardware, is treated as an intangible asset and is amortised over its useful economic life as estimated by the management between 3 to 5 years.
- Payment for Bandwidth capacities acquired under Indefeasible Right to Use (IRU) basis is accounted for as intangible assets and the cost is amortised over the period of the agreement ranging from 10 to 20 years.

Cost of Intangible assets under development represents cost of intangible assets not ready for intended use as on the reporting date. It includes the amount of spectrum allotted to the Company and related borrowing costs (that are directly attributable to the acquisition or construction of qualifying assets) if any, for which network is not yet ready.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

### k) Non – Current Assets Held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and its sale is highly probable. The sale is considered highly probable only when the asset or disposal groups is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to be completed within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation 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.

### l) Impairment of Non – Financial Assets

Tangible and Intangible assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, an appropriate valuation model is used. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized in Consolidated Statement of Profit and Loss by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.

For assets excluding goodwill, Impairment losses recognised in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the group estimates the asset's (or a cash-generating unit's) recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in Consolidated Statement of Profit and Loss.

### Investment in Associates and Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. 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.

Associates are all entities over which the group has significant influence but not control or joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee.

## Notes forming part of the Consolidated Financial Statements

Investments in joint ventures and associates are initially recognised at cost and subsequently accounted for using the equity method of accounting in the consolidated financial statements of the group as per Ind AS 28 – Investments in Associates and Joint ventures.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate and joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the equity-accounted investee. If the equity-accounted investee subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of profits equals the share of losses not recognised.

Unrealized gains on transactions between the group and its associate and joint venture are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The entire carrying amount of the investment (including goodwill) is tested for impairment if there is an objective evidence indicating impairment. Impairment is tested in accordance with Ind AS 36 – Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any reversal of the impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Financial Statements of the following associate and joint venture used in the consolidation are drawn up to the same reporting date as that of the Group and the accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group. Both the entities are incorporated in India.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2018	March 31, 2017
1.	Indus Towers Limited (Indus)	Joint Venture*	11.15	11.15
2.	Aditya Birla Idea Payments Bank Limited (ABIPBL)	Associate	49.00	9.84

\*by virtue of the joint venture agreement

### Changes in ownership interests

The Group ceases to equity account for an investment if it loses joint control or significant influence over such equity accounted investee. When the group ceases to equity account for an investee, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest in the investee. In addition, any amounts previously recognised in other comprehensive income in respect of that investee are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss where appropriate.

### m) Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of such asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the finance costs.

### n) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### o) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Consolidated Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## Notes forming part of the Consolidated Financial Statements

### p) Financial Instruments

#### Initial recognition and measurement

Financial Instruments (assets and liabilities) are recognised when the Group becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Consolidated Statement of Profit and Loss.

#### i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortised cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Group does not have any assets classified as FVTOCI.

#### I. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts)

through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables, loans, etc.

#### II. Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - the Group has transferred substantially all the risks and rewards of the asset; or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortised cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

For recognition of impairment loss on debt instruments and other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent

## Notes forming part of the Consolidated Financial Statements

period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables (including lease receivables). The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

### ii. Financial liabilities

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

#### Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

In case an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

### iii. Derivative financial instruments:

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to manage its foreign currency risks and interest rate risks, respectively. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency and interest exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss.

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative instrument. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss, unless designated as effective hedging instruments.



## Notes forming part of the Consolidated Financial Statements

### iv. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### q) Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances that caused the transfer or (b) at the end of each reporting period or (c) at the beginning of each reporting period.

### r) Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend it is recognised when it is approved by the Board of Directors. A corresponding amount is accordingly recognised directly in equity.

### s) Earnings per share

The earnings considered in ascertaining the Group's Earnings per Share (EPS) is the net profit/loss after tax.

EPS is disclosed as Basic and on diluted basis. 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 year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

### t) Provisions and Contingent Liabilities

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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### i. Asset Retirement Obligation (ARO)

ARO is provided for those lease arrangements where the Group has a binding obligation to restore the said location / premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

#### ii. Contingent Liabilities

A Contingent Liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are not recognised.

### u) Business Combinations

Business Combinations are accounted for using Ind AS 103 Business Combination. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred. The acquire's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards.



## Notes forming part of the Consolidated Financial Statements

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration, after reassessment of fair value of net assets acquired, is recognised as capital reserve.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustments are made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

### 5. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### A. Estimates and Assumptions

##### i. Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 51.

##### ii. Taxes

The respective companies provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the respective companies against which such assets can be utilized. Significant management judgment 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 together with future tax planning strategies.

MAT is recognized as an asset only when and to the extent there is convincing evidence that the respective companies will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Consolidated Statement of Profit and loss and is included in Deferred Tax Assets. The respective companies review the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the respective companies will be able to absorb such credit during the specified period. Further details about taxes refer note 55 and 56.

##### iii. Defined benefit plans (gratuity benefits)

The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 52 (A).

## Notes forming part of the Consolidated Financial Statements

### iv. Allowance for Trade receivables

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

### v. Useful life of Property, Plant and Equipment

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in Note 7.

### vi. Impairment of Non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is calculated in order to determine the extent of the impairment loss (if any). The recoverable amount is the fair value less costs of disposal calculated based on available information and sensitive to the discount rate, valuation techniques, expected future cash-inflows and the growth rate.

### vii. Provision for decommissioning

In measuring the provision for ARO, the Group uses technical estimates to determine the discount rates, expected cost to dismantle and remove the infrastructure equipment from the site, and the expected timing of these costs. Discount rates are determined based on the risk adjusted pre-tax rate of a similar period liability which is currently estimated at 10%. The Group calculates the provision using the DCF method based on the weighted average estimated future cost. Refer Note 49 for further details on ARO.

### viii. Operating lease commitments – Group as lessee

The Group has entered into lease agreements for properties and cell sites. The classification of the leasing arrangement as

a finance lease or operating lease is based on the evaluation of several factors including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. Lease arrangements where the significant risks and rewards related to properties and cell sites are retained with the lessor, are accounted for as operating leases. Refer note 44(a) for further details about operating lease.

### ix. Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Evaluation of uncertain provisions and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. Refer Note 42 for further details about Contingent Liabilities.

### B. Judgments

#### i. Non- Current assets held for sale

Passive Infrastructure business of the group (ICISL) represents an insignificant part (3.96%) of the overall business operations of the Group. ICISL does not meet any of the quantitative thresholds but is being disclosed as a separate segment as the management believes that information about this segment would be useful to the users of the financial statements. Subsequent to the decision to sell the shareholding in ICISL, it qualifies as asset held for sale based on the related guidance since it does not satisfy the conditions to consider it as discontinued operations.

### 6. STANDARDS ISSUED OR MODIFIED BUT NOT YET EFFECTIVE UP TO THE DATE OF ISSUANCE OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

The standards and the amendments to standards that are issued, but not yet effective up to the date of issuance of Group's Consolidated Financial Statements are discussed below. The Group intends to adopt these standards, if applicable, when they became effective. All these standards/ amendments have been notified on March 28, 2018 and are effective from April 1, 2018.

#### a) Ind AS 115 Revenue from contracts with Customers

Ind AS 115 'Revenue from Contracts with Customers' supersedes all existing revenue recognition requirements under Ind AS 18. This standard is based on the principle that revenue is recognised when control of a good or service is transferred to the customer. The notion of control replaces the existing notion of risk and rewards.

## Notes forming part of the Consolidated Financial Statements

It requires the Company to identify deliverables in contracts with customers that qualify as "performance obligations". The transaction price receivable from customers must be allocated between the Company's performance obligations under the contracts on a relative stand-alone selling price basis.

Certain incremental costs incurred for obtaining customer contracts will have to be deferred on the balance sheet under Ind AS 115 and recognised over the customer relationship period. This may lead to the deferred recognition of charges for incremental costs, if any, over the customer relationship period.

The standard permits full retrospective application (with or without optional practical expedient) or through a cumulative effect adjustment as on the start of the first period for which the standard is applied (i.e. April 1, 2018). The Group is currently assessing the impact of the application of Ind AS 115 on the consolidated financial statements of the Group.

### b) Amendment to Ind AS 40 'Investment Property'

The amendment clarifies the principles regarding when a company should transfer asset to / from Investment property. The transfer can be done when and only when:

- i. There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.
- ii. There is evidence of the change in use.

This amendment has no impact on the Group's Consolidated Statement of Profit and Loss and Consolidated Balance Sheet.

### c) Amendment to Ind AS 21 'Effects of Changes in Foreign Exchange Rates'

Under current Ind AS, foreign currency transactions are recorded in the company's functional currency by applying the spot exchange rate on the date of transaction. The amendment clarifies the date of transaction in case of foreign currency consideration paid/received in advance as the earlier of:

- i. Date of initial recognition of such advance; or

- ii. Date that the related item is recognised in the financial statements

This amendment has no impact on the Group's Consolidated Statement of Profit and Loss and Consolidated Balance Sheet.

### d) Amendment to Ind AS 112 'Disclosure of Interests in Other Entities'

The amendment clarifies that disclosure requirements for interests in other entities also applies to the interests that are classified as held for sale or as discontinued operations.

### e) Amendment to Ind AS 12 'Income Taxes'

The amendment to Ind AS 12 explains that determining temporary difference and estimating probable future taxable profit against which deductible temporary difference are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determination of temporary differences.

The amendment considers that:

- i. Tax law determines which deductions are offset against taxable income in determining taxable profits.
- ii. No deferred tax is recognized if the reversal of the deductible temporary difference will not lead to tax deductions.

This amendment has no significant impact on the Group's Consolidated Statement of Profit and Loss and Consolidated Balance Sheet.

### f) Amendment to Ind AS 28 'Investments in Associates and Joint Ventures'

The amendment clarifies that a venture capital organization, or mutual fund, or unit trust and similar entities may elect, at initial recognition, to measure investments in associate or joint venture at FVTPL separately for each associate or joint venture.

Also, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. This amendment is not applicable to the Group.

## Notes forming part of the Consolidated Financial Statements

	₹ Mn							
Particulars	Freehold land	Buildings	Leasehold Improvement	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>								
<b>Cost</b>								
As at April 1, 2016	119.03	703.66	183.53	256,729.83	456.27	508.68	853.04	259,554.04
Additions	-	-	41.92	65,157.67	503.21	307.79	610.23	66,620.82
Disposals/Adjustments	-	157.79	-	(319.50)	(8.42)	(2.10)	(131.15)	(303.38)
As at March 31, 2017	119.03	861.45	225.45	321,568.00	951.06	814.37	1,332.12	325,871.48
Additions	-	-	0.04	71,886.32	29.71	188.23	686.42	72,790.72
Disposals/Adjustments	-	-	(1.70)	(704.02)	(17.62)	(1.56)	(183.29)	(908.19)
Transferred to AHFS (refer note 40(i))	-	(1.20)	-	(10,412.54)	(0.76)	(4.95)	(33.02)	(10,452.47)
As at March 31, 2018	119.03	860.25	223.79	382,337.76	962.39	996.09	1,802.23	387,301.54
<b>Accumulated Depreciation</b>								
As at April 1, 2016	-	67.10	34.18	47,160.68	89.34	153.22	288.50	47,793.02
Depreciation charge for the year	-	52.76	26.99	49,204.02	110.37	187.22	332.40	49,913.76
Disposals/Adjustments	-	20.59	-	(197.62)	(7.15)	(1.37)	(92.71)	(278.26)
As at March 31, 2017	-	140.45	61.17	96,167.08	192.56	339.07	528.19	97,428.52
Depreciation charge for the year	-	31.76	34.33	49,843.31	150.19	198.10	372.06	50,629.75
Disposals/Adjustments	-	-	(1.51)	(562.81)	(3.18)	(1.37)	(136.06)	(704.93)
Transferred to AHFS (refer note 40(i))	-	(0.11)	-	(4,583.02)	(0.40)	(3.41)	(14.19)	(4,601.13)
As at March 31, 2018	-	172.10	93.99	140,864.56	339.17	532.39	750.00	142,752.21
<b>Net Book Value</b>								
As at March 31, 2018	119.03	688.15	129.80	241,473.21	623.22	463.70	1,052.22	244,549.33
As at March 31, 2017	119.03	721.00	164.28	225,400.92	758.50	475.30	803.93	228,442.96
As at April 1, 2016	119.03	636.56	149.35	209,569.15	366.93	355.46	564.54	211,761.02

## Footnotes:

- Plant and machinery includes gross block of assets capitalised under finance lease ₹ 11,859.18 Mn (March 31, 2017: ₹ 9,880.58 Mn) and corresponding accumulated depreciation being ₹ 8,430.64 Mn (March 31, 2017: ₹ 5,918.69 Mn). Additions in plant and machinery during the year includes gross block of assets capitalised under finance lease ₹ 2,060.53 Mn and corresponding accumulated depreciation being ₹ 228.09 Mn.
- For assets pledged as securities refer note 22(a).
- Foreign exchange gain (net) amounting to ₹ 191.57 Mn (March 31, 2017: ₹ 661.69 Mn) decapitalised during the year.

## Notes forming part of the Consolidated Financial Statements

₹ Mn				
Particulars	Entry / license fees and spectrum	Computer-Software	Bandwidth	Total
<b>8 INTANGIBLE ASSETS</b>				
<b>Cost</b>				
As at April 1, 2016	442,873.45	2,559.63	8,544.96	453,978.04
Additions	122,944.32	1,589.02	2,872.97	127,406.31
Retirement of expired licenses	(417.43)	-	-	(417.43)
As at March 31, 2017	565,400.34	4,148.65	11,417.93	580,966.92
Additions	42,592.95	1,014.74	3,037.26	46,644.95
Transferred to AHFS (refer note 40(ii))	-	(5.49)	-	(5.49)
As at March 31, 2018	607,993.29	5,157.90	14,455.19	627,606.38
<b>Accumulated Amortisation</b>				
As at April 1, 2016	12,526.15	728.11	644.43	13,898.69
Amortisation charge for the year	26,446.21	1,111.51	800.56	28,358.28
Retirement of expired licenses	(418.30)	-	-	(418.30)
As at March 31, 2017	38,554.06	1,839.62	1,444.99	41,838.67
Amortisation charge for the year	31,061.81	1,405.47	993.93	33,461.21
Transferred to AHFS (refer note 40(ii))	-	(2.11)	-	(2.11)
As at March 31, 2018	69,615.87	3,242.98	2,438.92	75,297.77
<b>Net Book Value</b>				
As at March 31, 2018	538,377.42	1,914.92	12,016.27	552,308.61
As at March 31, 2017	526,846.28	2,309.03	9,972.94	539,128.25
As at April 1, 2016	430,347.30	1,831.52	7,900.53	440,079.35

## Footnotes:

- Computer-software includes gross block of assets capitalised under finance lease ₹ 3,795.11 Mn (March 31, 2017: ₹ 2,932.09 Mn) & corresponding accumulated amortisation being ₹ 2,363.23 Mn (March 31, 2017: ₹ 1,289.50 Mn). Additions in computer-software during the year includes gross block of assets capitalised under finance lease ₹ 863.02 Mn & corresponding accumulated amortization being ₹ 166.68 Mn.
- Interest amounting to ₹ 3,243.49 Mn (March 31, 2017: ₹ 4,130.41 Mn) (including amounts added to intangible assets under development) has been capitalised during the period.
- The remaining amortisation period of entry/license fees and spectrum as at March 31, 2018 ranges between 3.5 to 19.5 years based on the respective telecom service license/spectrum validity period.
- Intangible Assets under development – Amount added during the year ₹ 6,968.25 Mn (including interest of ₹ 2,930.72 Mn) and capitalized during the year of ₹ 39,676.36 Mn (including interest of ₹ 2,186.45 Mn). As of March 31, 2018 intangible assets under development include interest amounting to ₹ 3,074.68 Mn (March 31, 2017: ₹ 2,330.41 Mn).
- For assets pledged as securities refer note 22(a).

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>9 NON-CURRENT INVESTMENTS (UNQUOTED)</b>			
Investments accounted for using the equity method			
<b>a) Investments in Equity Instruments of Associate</b>			
Aditya Birla Idea Payments Bank Limited (ABIPBL)	2,216.34	134.33	
221,634,545 (March 31, 2017 : 13,433,360) fully paid equity shares of ₹ 10 each (refer note 40(iii))			
Add: Group's share of Loss / Reserves of ABIPBL	(327.70)	(86.14)	
<b>Total investment in Associate (A)</b>	<b>1,888.64</b>	<b>48.19</b>	
<b>b) Investments in Equity Instruments of Joint Venture</b>			
Indus Towers Limited	0.13	0.13	
132,868 (March 31, 2017: 132,868) fully paid equity shares of ₹ 1 each)			
Add: Group's share of Profit / Reserves of Indus Towers Limited	14,712.35	14,736.43	
<b>Total investment in Joint Venture (B)</b>	<b>14,712.48</b>	<b>14,736.56</b>	
<b>Total (A+B)</b>	<b>16,601.12</b>	<b>14,784.75</b>	
<b>10 OTHER NON-CURRENT FINANCIAL ASSETS</b>			
a) Deposits with body corporates and others (including amount referred to in note 58)	3,752.99	4,109.25	
b) Deposits and balances with government authorities	427.02	699.99	
c) Derivative assets at fair value through profit or loss	-	13.69	
d) Advance for purchase of equity shares of ABIPBL	-	41.82	
<b>Total</b>	<b>4,180.01</b>	<b>4,864.75</b>	
<b>11 OTHER NON-CURRENT ASSETS</b>			
a) Capital advances	460.14	4,123.00	
b) Input tax credit	-	3,184.08	
c) Prepaid expenses	1,037.51	988.77	
d) Advance income tax (net)	9,039.88	10,128.02	
e) Others (consisting mainly of deposit against demands which are appealed against / subjudice)			
- Considered Good	7,259.83	9,270.02	
- Considered Doubtful	409.25	452.41	
	7,669.08	9,722.43	
Allowance for doubtful advances (refer note 48)	(409.25)	(452.41)	
	7,259.83	9,270.02	
<b>Total</b>	<b>17,797.36</b>	<b>27,693.89</b>	



## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
<b>12 INVENTORIES</b>		
Sim and recharge vouchers	338.59	542.10
Trading Goods	28.06	45.87
<b>Total</b>	<b>366.65</b>	<b>587.97</b>
<b>13 CURRENT INVESTMENTS</b>		
Investment in units of liquid mutual funds (quoted) (refer note 46)	56,304.30	48,997.52
<b>Total</b>	<b>56,304.30</b>	<b>48,997.52</b>
<b>14 TRADE RECEIVABLES (Unsecured, unless otherwise stated)</b>		
<b>a) Billed Receivables *</b>		
Unsecured - Considered good	5,512.33	8,039.19
Unsecured - Considered doubtful	7,355.77	5,867.24
	12,868.10	13,906.43
Allowance for doubtful advances (refer note 48)	(7,355.77)	(5,867.24)
	5,512.33	8,039.19
Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 200.88 Mn (March 31, 2017 : ₹ 631.43 Mn)		
<b>b) Unbilled Receivables *</b>	3,361.53	5,100.02
<b>Total</b>	<b>8,873.86</b>	<b>13,139.21</b>
* including amount referred to in note 58		
<b>15 CASH AND CASH EQUIVALENTS</b>		
a) Cash on hand	9.81	8.93
b) Cheques on hand	28.32	63.62
c) Balances with banks in current accounts	155.02	709.91
<b>Total</b>	<b>193.15</b>	<b>782.46</b>
<b>16 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
a) Margin money with banks	94.11	40.87
b) Earmarked bank balance towards dividend	4.08	4.10
<b>Total</b>	<b>98.19</b>	<b>44.97</b>

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn			
	As at March 31, 2018	As at March 31, 2017		
<b>17 OTHER CURRENT FINANCIAL ASSETS</b>				
a) Interest Receivable	1.07	0.24		
b) Deposits with body corporates and others (including amount referred to in note 58)	216.54	333.65		
c) Derivative assets at fair value through profit or loss	27.96	-		
d) Other receivables (including amount referred to in note 58)				
- Considered good	68.17	65.20		
- Considered doubtful	1.89	2.46		
	70.06	67.66		
Allowance for doubtful advances (refer note 48)	(1.89)	(2.46)		
	68.17	65.20		
<b>Total</b>	<b>313.74</b>	<b>399.09</b>		
<b>18 OTHER CURRENT ASSETS</b>				
a) Input Tax Credit	16,205.04	10,411.26		
b) Prepaid expenses	1,047.20	884.51		
c) Others				
- Considered good	662.73	1,016.30		
- Considered doubtful	24.97	10.25		
	687.70	1,026.55		
Allowance for doubtful advances (refer note 48)	(24.97)	(10.25)		
	662.73	1,016.30		
<b>Total</b>	<b>17,914.97</b>	<b>12,312.07</b>		
<b>19 ASSETS CLASSIFIED AS HELD FOR SALE</b>				
a) Plant and machinery	-	16.11		
b) Assets of ICISL (refer note 40(i))	10,508.87	-		
<b>Total</b>	<b>10,508.87</b>	<b>16.11</b>		
<b>20 EQUITY SHARE CAPITAL</b>				
Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	₹ Mn	Numbers	₹ Mn
<b>Authorised share capital</b>				
Equity Shares of ₹ 10 each	6,775,000,000	67,750.00	6,775,000,000	67,750.00
Redeemable cumulative non-convertible Preference shares of ₹10 million each	1,500	15,000.00	1,500	15,000.00
	6,775,001,500	82,750.00	6,775,001,500	82,750.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity Shares of ₹ 10 each fully paid up	4,359,320,930	43,593.21	3,605,328,231	36,053.28
	4,359,320,930	43,593.21	3,605,328,231	36,053.28

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
<b>21 OTHER EQUITY</b>		
<b>(i) Debenture redemption reserve</b>		
Opening balance	1,316.93	483.21
Transfer from retained earnings	3,090.96	833.72
<b>Closing balance (A)</b>	<b>4,407.89</b>	<b>1,316.93</b>
<b>(ii) Securities premium account</b>		
Opening balance	133,369.27	103,837.69
Premium on issue of shares under ESOS	27.10	48.66
Transfer from Outstanding employee stock options reserve on exercise of options	310.36	443.32
Conversion of CCPS Liability to Equity Shares and subsequent extinguishment of these equity shares as per the High Court approved Scheme	-	29,039.60
Premium on Preferential allotment of equity shares (Net of share issue expenses of ₹ 34.84 Mn (refer note 40(iv)))	29,198.83	-
Premium on allotment of equity shares under QIP (Net of share issue expenses of ₹ 309.44 Mn (refer note 40(v)))	30,448.13	-
<b>Closing balance (B)</b>	<b>193,353.69</b>	<b>133,369.27</b>
<b>(iii) Outstanding Employee stock options</b>		
Opening balance	1,341.32	1,352.29
Share-based payment expenses	(228.99)	432.35
Transfer to Securities premium account on exercise of options	(310.36)	(443.32)
<b>Closing balance (C)</b>	<b>801.97</b>	<b>1,341.32</b>
<b>(iv) General Reserve (D)</b>	<b>168.66</b>	<b>168.66</b>
<b>(v) Retained Earnings</b>		
Opening balance	75,072.98	93,657.93
Net Loss for the year	(41,681.60)	(3,996.96)
Other Comprehensive Income recognised directly in retained earnings	282.68	(43.34)
Transfer to Debenture redemption reserve	(3,090.96)	(833.72)
Group's share of additional depreciation on fair valued assets / physical verification adjustments pursuant to scheme	(283.92)	(423.17)
Conversion of CCPS Liability to Equity Shares and subsequent extinguishment of these equity shares as per the High Court approved Scheme	-	(10,687.29)
Dividends	-	(2,160.62)
Dividends distribution tax	-	(439.85)
<b>Closing balance (E)</b>	<b>30,299.18</b>	<b>75,072.98</b>
<b>Total (A+B+C+D+E)</b>	<b>229,031.39</b>	<b>211,269.16</b>

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>22 LONG TERM BORROWINGS</b>			
<b>a) Secured loans</b>			
Redeemable Non-Convertible Debentures (NCDs)	4,008.81	13,952.36	
Term loans			
Foreign currency loan			
- From others	-	19,504.57	
Rupee loan			
- From banks	89,885.08	44,942.92	
Vehicle loan from banks	53.40	169.38	
<b>Total secured loans</b>	<b>93,947.29</b>	<b>78,569.23</b>	
<b>b) Unsecured loans</b>			
Redeemable Non-Convertible Debentures (NCDs)	59,854.73	59,879.12	
Term loans			
Foreign currency loan			
- From banks	4,266.73	10,580.66	
- From Others	22,425.18	-	
<b>Total unsecured loans</b>	<b>86,546.64</b>	<b>70,459.78</b>	
<b>Subtotal (A)</b>	<b>180,493.93</b>	<b>149,029.01</b>	
<b>Deferred payment liabilities towards spectrum (unsecured) (B)</b>	<b>388,914.07</b>	<b>367,349.27</b>	
<b>Total (A + B)</b>	<b>569,408.00</b>	<b>516,378.28</b>	

## (a) Security clause

₹ Mn

Type of Borrowing	Outstanding Secured Loan Amount *		Security Offered
	As at March 31, 2018	As at March 31, 2017	
a 9.45% Redeemable Non Convertible Debentures	3,960.00	3,960.00	Pari passu charge only on the tangible fixed assets excluding passive telecom infrastructure
b 8.12% Redeemable Non Convertible Debentures	50.00	10,000.00	Pari passu charge on movable fixed assets of the Company excluding:
c Rupee Loan#	9,950.00	-	a) Spectrum and Telecom Licenses b) Vehicles up to ₹ 250 crores and c) Passive Telecom Infrastructure.
d Rupee Loan#	80,000.00	48,000.00	First charge on all the movable and immovable properties (including intangible assets) of the Company excluding a) Spectrum and Telecom Licenses b) Vehicles up to ₹ 250 crores and c) Passive Telecom Infrastructure.
e Foreign currency Loan#	-	26,653.04	
f Vehicle Loans	158.97	353.28	Hypothecation of Vehicles against which the loans have been taken.
<b>Total</b>	<b>94,118.97</b>	<b>88,966.32</b>	

\* Amounts represent Long term borrowings including current maturities of ₹ 105.57 Mn (Previous year ₹ 9,736.00 Mn) and gross off upfront fees amounting to ₹ 66.11 Mn (Previous year ₹ 664.42 Mn).

# Term loans are also secured by way of first charge / assignment ranking pari-passu interse the lenders as above.

## Notes forming part of the Consolidated Financial Statements

### (b) Repayment terms of Long term borrowings as at March 31, 2018

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total*	Repayment Terms for the Balance Amount
<b>(i) Secured Loans</b>				
a) Rupee Loan	-	50,000.00	50,000.00	a) 8 equal quarterly installments of 1.25% each of the total drawn amount starting June, 2019 b) 12 equal quarterly installments of 3.75% each of the total drawn amount starting June, 2021 c) 8 equal quarterly installments of 5% each of the total drawn amount starting June, 2024 d) 2 equal quarterly installments of 2.5% each of the total drawn amount starting June, 2026
b) Rupee Loan	-	9,950.00	9,950.00	Repayable in February, 2024
c) Rupee Loan	-	30,000.00	30,000.00	Repayable in 20 equal quarterly installments starting September, 2021
d) 9.45% Redeemable Non Convertible Debentures	-	3,960.00	3,960.00	Repayable in October, 2019 (Out of the 1,000 NCDs issued in FY 2013, the Company has re-purchased 604 NCDs of ₹ 10 Mn each, aggregating to ₹ 6,040.00 Mn with an option to re-issue the same in future)
e) 8.12% Redeemable Non Convertible Debentures	-	50.00	50.00	Repayable in February, 2024 (Out of the 10,000 NCDs issued in FY 2017, the Company has re-purchased 9,950 NCDs of ₹ 1 Mn each, aggregating to ₹ 9,950.00 Mn with an option to re-issue the same in future)
f) Vehicle Loans	105.57	53.40	158.97	Equal monthly installments over the term of the loan ranging from 2 to 5 years
<b>Sub-Total (A)</b>	<b>105.57</b>	<b>94,013.40</b>	<b>94,118.97</b>	
<b>(ii) Unsecured Loans</b>				
a) Foreign currency Loan	1,073.23	1,504.14	2,577.37	a) 5 equal quarterly installments of USD 4.125 Mn (₹ 268.31 Mn) starting from April, 2018. b) 4 equal quarterly installments of USD 4.75 Mn (₹ 308.96 Mn) starting from July, 2019.
b) Foreign currency Loan	616.28	2,773.27	3,389.55	11 equal half yearly installments starting April, 2018
c) Foreign currency Loan	1,027.01	2,567.53	3,594.54	7 equal half yearly installments starting May, 2018
d) Foreign currency Loan	-	19,900.84	19,900.84	3 equal annual installments starting June, 2020

## Notes forming part of the Consolidated Financial Statements

## (b) Repayment terms of Long term borrowings as at March 31, 2018 (Continued)

₹ Mn

Type of Borrowing	Current maturities of Long term borrowings	Long term borrowings excluding current maturities	Total*	Repayment Terms for the Balance Amount
e) Foreign currency Loan	4,683.18	-	4,683.18	Repayable in June, 2018
f) 7.57% Redeemable Non Convertible Debentures	-	15,000.00	15,000.00	Repayable in December, 2021
g) 7.77% Redeemable Non Convertible Debentures	-	15,000.00	15,000.00	Repayable in January, 2022
h) 8.04% Redeemable Non Convertible Debentures	-	20,000.00	20,000.00	Repayable in January, 2022
i) 8.03% Redeemable Non Convertible Debentures	-	5,000.00	5,000.00	Repayable in January, 2022
j) 8.03% Redeemable Non Convertible Debentures	-	5,000.00	5,000.00	Repayable in February, 2022
<b>Sub-Total (B)</b>	<b>7,399.70</b>	<b>86,745.78</b>	<b>94,145.48</b>	
<b>(iii) Deferred Payment Liability (DPL) towards spectrum acquired in</b>				
a) November - 2012 auction	-	10,321.57	10,321.57	12 equal annual installments starting December, 2019
b) February - 2014 auction	2,734.23	76,289.35	79,023.58	a) ₹ 76,487.23 Mn and interest thereon will be repaid in 14 equal annual installments starting March, 2019. b) ₹ 2,536.35 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
c) March - 2015 auction	-	232,362.19	232,362.19	a) ₹ 230,974.14 Mn and interest thereon will be repaid in 15 equal annual installments starting April, 2019. b) ₹ 1,388.05 Mn and interest thereon will be repaid in 16 equal annual installments starting September, 2019.
d) October - 2016 auction	-	69,940.96	69,940.96	16 equal annual installments starting October, 2019
<b>Sub-Total (C)</b>	<b>2,734.23</b>	<b>388,914.07</b>	<b>391,648.30</b>	
<b>Grand Total (A+B+C)</b>	<b>10,239.50</b>	<b>569,673.25</b>	<b>579,912.75</b>	

\* Amounts represent Long term borrowings gross off upfront fees amounting to ₹ 278.38 Mn

(c) Interest rate for Rupee Term Loan ranges from 7.8% to 8.7%, Foreign currency Loan ranges from 2.58% to 3.14% and Deferred Payment Liability towards spectrum ranges from 9.30% to 10%.

(d) During the year, the company has re-financed Loans worth ₹ 23,733.78 Mn (Previous year ₹ 4,317.34 Mn)



## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
<b>23 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
a) Security deposits	22.64	383.97
b) Payables for capital expenditure	-	43.35
c) Interest accrued but not due on deferred payment liability	26,039.04	9,954.49
<b>Total</b>	<b>26,061.68</b>	<b>10,381.81</b>
<b>24 LONG TERM PROVISIONS</b>		
a) Gratuity (refer note 52)	1,522.03	1,574.91
b) Compensated absences	1,507.57	1,774.66
c) Asset retirement obligation (refer note 49)	77.89	492.72
<b>Total</b>	<b>3,107.49</b>	<b>3,842.29</b>
<b>25 OTHER NON-CURRENT LIABILITIES</b>		
a) Deferred revenue	4,919.57	4,307.68
b) Others (consists mainly of Lease Rent Equalisation)	681.62	612.78
<b>Total</b>	<b>5,601.19</b>	<b>4,920.46</b>
<b>26 SHORT TERM BORROWINGS</b>		
a) <b>Secured loans</b>		
Bank overdraft	1.07	20.09
(Secured by way of pari passu second charge on movable and immovable assets of the company)		
b) <b>Unsecured loans</b>		
Bank overdraft	215.87	327.00
<b>Total</b>	<b>216.94</b>	<b>347.09</b>
<b>27 OTHER CURRENT FINANCIAL LIABILITIES</b>		
a) Current maturities of long term debt* (refer note 22(a) and 22(b))	10,226.37	33,820.18
b) Payable for capital expenditure	29,523.15	45,942.96
c) Interest accrued but not due on borrowings #	1,768.99	18,596.53
d) Unpaid dividend	4.08	4.10
e) Derivative liabilities at fair value through profit or loss	112.12	1,898.51
f) Security deposits from customers and others	2,185.35	2,297.80
<b>Total</b>	<b>43,820.06</b>	<b>102,560.08</b>
*Amount as at March 31, 2017 includes ₹ 22,403 Mn prepaid in April 2017		
#Amount as at March 31, 2017 includes ₹ 17,702 Mn prepaid in April 2017		
<b>28 OTHER CURRENT LIABILITIES</b>		
a) Advance from customers and deferred revenue	14,079.92	14,138.78
b) Taxes and other liabilities	12,453.38	12,503.61
c) Others (consists mainly of Lease Rent Equalisation)	63.81	89.69
<b>Total</b>	<b>26,597.11</b>	<b>26,732.08</b>
<b>29 SHORT TERM PROVISIONS</b>		
a) Compensated absences	207.63	144.93
b) Asset retirement obligation (refer note 49)	16.06	32.03
c) Provision for current tax (net of advance tax)	-	21.68
<b>Total</b>	<b>223.69</b>	<b>198.64</b>

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>30 OTHER OPERATING INCOME</b>			
Liabilities / provisions no longer required written back	222.97	151.26	
Miscellaneous receipts	95.25	79.56	
<b>Total</b>	<b>318.22</b>	<b>230.82</b>	
<b>31 OTHER INCOME</b>			
Interest income	2,077.67	674.64	
Gain on Mutual Funds (including fair value gain/(loss))	1,451.63	2,394.71	
<b>Total</b>	<b>3,529.30</b>	<b>3,069.35</b>	
<b>32 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries, wages and bonus	13,811.38	15,575.61	
Contribution to provident and other funds (refer note 52)	1,144.49	1,118.78	
Share based payment expenses (ESOS) (refer note 51)	(228.99)	432.35	
Staff welfare	604.76	675.68	
Recruitment and training	98.79	174.03	
<b>Total</b>	<b>15,430.43</b>	<b>17,976.45</b>	
<b>33 NETWORK EXPENSES AND IT OUTSOURCING COST</b>			
Security service charges	1,108.67	1,098.62	
Power and fuel	30,596.81	30,616.91	
Repairs and maintenance - plant and machinery	10,449.85	12,057.20	
Switching and cellsites rent	1,880.83	1,643.86	
Lease line and connectivity charges	1,218.62	1,913.93	
Network insurance	158.77	174.35	
Passive infrastructure charges	45,484.62	47,330.42	
Other network operating expenses	1,257.38	1,122.40	
IT outsourcing cost	5,178.09	5,859.34	
<b>Total</b>	<b>97,333.64</b>	<b>101,817.03</b>	
<b>34 LICENSE FEES AND SPECTRUM USAGE CHARGES</b>			
License fees	19,769.32	24,897.38	
Spectrum usage charges	8,897.85	15,617.45	
<b>Total</b>	<b>28,667.17</b>	<b>40,514.83</b>	

## Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>35 ROAMING AND ACCESS CHARGES</b>			
Roaming charges	3,794.21	9,107.52	
Access charges	31,563.64	33,646.92	
<b>Total</b>	<b>35,357.85</b>	<b>42,754.44</b>	
<b>36 SUBSCRIBER ACQUISITION AND SERVICING EXPENDITURE</b>			
Cost of sim and recharge vouchers	1,357.29	2,017.66	
Commission to dealers	18,428.18	18,477.53	
Customer verification expenses	1,336.60	2,410.15	
Collection, telecalling and servicing expenses	5,156.87	5,963.60	
Customer retention and customer loyalty expenses	1,663.31	1,413.29	
<b>Total</b>	<b>27,942.25</b>	<b>30,282.23</b>	
<b>37 ADVERTISEMENT, BUSINESS PROMOTION EXPENDITURE AND CONTENT COST</b>			
Advertisement & Business promotion expenditure	4,024.01	4,576.89	
Content cost	4,123.49	4,835.61	
<b>Total</b>	<b>8,147.50</b>	<b>9,412.50</b>	
<b>38 OTHER EXPENSES</b>			
Repairs and maintenance			
Building	154.43	113.13	
Others	920.08	818.17	
Other insurance	37.41	38.00	
Non network rent	1,653.39	1,504.54	
Rates and taxes	69.72	550.29	
Electricity	542.98	570.47	
Printing and stationery	76.61	84.99	
Communication expenses	128.28	121.18	
Travelling and conveyance	949.52	1,162.98	
Bad debts / advances written off	59.42	104.16	
Allowances for doubtful debts and advances (refer note 48)	1,629.51	1,869.01	
Gain on disposal of property, plant and equipment	(274.11)	(176.19)	
Bank charges	343.61	304.30	
Directors Sitting Fees	4.47	4.77	
Legal and professional charges	1,132.14	1,004.18	
Audit fees (refer note 53)	38.01	47.21	
CSR expenditure (refer note 54)	204.40	372.47	
Miscellaneous expenses	1,692.56	1,790.44	
<b>Total</b>	<b>9,362.43</b>	<b>10,284.10</b>	

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>39 FINANCE COSTS</b>		
Interest		
- On fixed period loan (Net of ₹ 1,407.75 Mn. capitalised, Previous year ₹ 1,732.39 Mn.)	11,770.37	3,546.50
- On deferred payment liability towards spectrum (Net of ₹ 1,835.74 Mn. capitalised, Previous year ₹ 2,157.11 Mn.)	35,822.53	35,095.64
- Others	594.90	284.18
Other finance charges	121.36	94.74
<b>Total interest expense</b>	<b>48,309.16</b>	<b>39,021.06</b>
Exchange difference (net) (Net of ₹ (191.57) Mn. (decapitalised), Previous year ₹ (661.69) Mn. (decapitalised))	878.07	(444.62)
Loss / (gain) on derivatives (including fair value changes on derivatives)	(41.53)	1,217.93
Change in investment value on merger of IMCSL with ABIPBL	(1,016.01)	-
<b>Total</b>	<b>48,129.69</b>	<b>39,794.37</b>

## 40. SIGNIFICANT TRANSACTIONS / NEW DEVELOPMENTS

- i. The Board of Directors of the Company at its meeting held on November 13, 2017 has approved the sale of its entire shareholding in Idea Cellular Infrastructure Services Limited (ICISL), a wholly owned subsidiary to ATC Telecom Infrastructure Private Limited (ATC). ATC and the Company has entered into a Share Purchase Agreement for a consideration of ₹ 40,000 Mn. The closing of the transaction is subject to certain regulatory approvals and other closing conditions. The effects of the arrangement will be recognised once the transaction is consummated. The realizable value of these assets is higher than the carrying value resulting in no further adjustments in these consolidated financial statements.

ICISL is in the business of providing Passive Infrastructure services to telecom companies. ICISL is disclosed as a separate segment i.e. "Passive Infrastructure", although it does not represent a major line of business amongst the overall business operations of the Group. However, effective November 13, 2017, in line with the requirements of Ind AS 105 – "Non-current Assets Held for Sale and Discontinued Operations"; (i) total assets amounting to ₹ 10,508.87 Mn and total liabilities amounting to ₹ 1,972.45 Mn have been classified as Assets and Liabilities held for Sale, respectively; (ii) The respective income and expenses continue to be consolidated on a line by line basis except for depreciation and amortization amounting to ₹ 650.89 Mn on PPE and Intangible assets which has not been charged to the Statement of Profit and Loss.

- ii. On March 20, 2017, the board of directors of the Company had approved the scheme of amalgamation of Vodafone India Ltd (VIL) and its wholly owned subsidiary Vodafone Mobile Services Ltd (VMSL) with the Company subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, the Competition Commission of India, the Department of Telecommunications (DoT), the Foreign Investment Promotion Board, the Reserve Bank of India (RBI), other governmental authorities and third parties as may be required.

On the scheme of amalgamation becoming effective, the Company shall issue an aggregate number of equity shares of the Company (credited as fully paid up) to VIL equal to 47% of the post issue paid up capital of the Company on a fully diluted basis. Immediately thereafter, on the amalgamation of VIL with the Company, the shares issued to VIL pursuant to amalgamation of VMSL shall stand cancelled and, post such cancellation, the Company shall issue an aggregate number of equity shares of the Company (credited as fully paid up) equal to 50% of the post issue paid up capital of the Company to the shareholders of VIL.

Existing shareholders of VIL (VIL promoters) will own 45.1% of the combined Company after transferring a 4.9% stake to the Aditya Birla Group for an agreed consideration concurrent with completion of the merger. The Aditya Birla Group will then own 26.0% of the combined Company and Idea's other shareholders will own the remaining 28.9%.

The Aditya Birla Group has the right to acquire up to 9.5% additional stake from VIL promoters under an agreed mechanism with a view to equalise the shareholdings over time. Until equalisation is achieved, the additional shares held by VIL promoters will be restricted and votes will be exercised jointly under the terms of the shareholders' agreement. The combination will be jointly controlled by VIL promoters and the Aditya Birla Group.

The Company has received the approvals from the Competition Commission of India (CCI) on July 24, 2017 and from the Stock Exchange on August 4, 2017. The Equity shareholders, secured and unsecured creditors of the Company have approved the amalgamation in their

## Notes forming part of the Consolidated Financial Statements

respective meetings held on October 12, 2017. The Company has also received the approval from National Company Law Tribunal on January 11, 2018. The transferor companies i.e.VIL and VMSL have also received approval from the National Company Law Tribunal on January 19, 2018.

For the scheme to become effective certain conditions precedent will need to be met which are in process including requisite approvals from Foreign Investment Promotion Board, Department of Industrial Policy and Promotion and RBI, for which the Company has filed applications and is awaiting approvals to take the process forward further with the DoT.

- iii. The Scheme of Amalgamation of Idea Mobile Commerce Services Limited (IMCSL), a wholly owned subsidiary with Aditya Birla Idea Payments Bank Limited (ABIPBL), an associate was approved by the Hon'ble Mumbai High Court. The merger was subject to certain regulatory approvals and other conditions which got fulfilled on February 22, 2018. Accordingly, effective this date IMCSL merged with ABIPBL.

Pursuant to the merger, the Company was allotted 104,869,800 equity shares of ABIPBL in lieu of the shares held in IMCSL. The excess of the value of such shares issued over the net assets of IMCSL that have been vested into ABIPBL on the effective date amounting to ₹ 1,016.10 Mn has been grouped under finance cost in the Consolidated Statement of Profit and Loss. The Group now holds 49% interest in ABIPBL.

- iv. After the requisite shareholders' approval, the Company, during the year, has issued and allotted 326,633,165 Equity Shares of face value of ₹ 10 to entities forming part of promoter / promoter group on preferential basis at a price of ₹ 99.50 per Equity Share, including a premium of ₹ 89.50 per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 32,500 Mn.
- v. The Company has also issued and allotted 424,242,424 Equity Shares of face value of ₹ 10 each to eligible Qualified Institutional Buyers at a price of ₹ 82.50 per Equity Share, including a premium of ₹ 72.50 per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating ₹ 35,000 Mn.

### 41. CAPITAL AND OTHER COMMITMENTS:

Estimated amount of commitments are as follows:

- Spectrum won in auctions ₹ Nil (March 31, 2017: ₹ 3,312.07 Mn).
- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 13,026.71 Mn\* (March 31, 2017: ₹ 20,226.66 Mn).
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 18,721.64 Mn (March 31, 2017: ₹ 17,600.26 Mn).

\*includes capital commitment ₹ 46.84 Mn pertaining to ICISL, a wholly owned subsidiary, classified as held for sale (Refer note 40(i)).

### 42. CONTINGENT LIABILITIES NOT PROVIDED FOR (INCLUDING DEMANDS CONSIDERED AS "REMOTE" BY THE GROUP):

#### A) Licensing Disputes:

- i. One Time Spectrum Charges:

In Financial year 2012-13, DoT had issued demand notices towards one time spectrum charges

- For spectrum beyond 6.2 MHz in respective service areas for retrospective period from July 1, 2008 to December 31, 2012, amounting to ₹ 3,691.30 Mn (March 31, 2017: ₹ 3,691.30 Mn). and
- For spectrum beyond 4.4 MHz in respective service areas effective January 1, 2013 till expiry of the period as per respective licenses amounting to ₹ 17,443.70 Mn (March 31, 2017: ₹ 17,443.70 Mn).

In the opinion of Company, inter-alia, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial statements for the above.

- ii. Other Licensing Disputes - ₹ 107,710.35 Mn (March 31, 2017: ₹ 58,318.18 Mn):

- Demands due to difference in interpretation of definition of adjusted gross revenue (AGR) and other license fee assessment related matters. Most of these demands are currently before the Hon'ble TDSAT, Hon'ble High court and Hon'ble Supreme Court.
- Disputes relating to alleged non-compliance of licensing conditions & other disputes with DoT, either filed by or against the Company and pending before Hon'ble Supreme Court / TDSAT.

## Notes forming part of the Consolidated Financial Statements

- Demands on account of alleged violations in license conditions relating to amalgamation of erstwhile Spice Communications Limited currently sub-judice before the Hon'ble TDSAT.
- Demand with respect to upfront spectrum amounts for continuation of services from February 2, 2012 till various dates in the service areas where the licenses were quashed following the Hon'ble Supreme Court Order.
- Demands raised by Term Cell towards subscriber verification norms.

B) P5 Asia Holdings Investments (Mauritius) Limited (P5) has a right to require the Group to buy equity shares of Indus Towers Limited (Indus) held by P5 at fair value if:

- i. The Group's stake in Indus is reduced below the agreed threshold; or
- ii. Aditya Birla Group companies collectively (ABG) cease to be the single largest shareholder of the Company before P5 is able to sell its stake in Indus. However, provided that the Company and / or ABG are able to demonstrate that ABG has a joint control over the Company then this right will not be available to P5 even if ABG cease to be the single largest shareholder of the Company.

Pursuant to proposed merger of Indus with Bharti Infratel Limited (BIL) (refer note 66), P5 has agreed to suspend this right during the period from April 25, 2018 till such date the merger is effective and such right will be terminated upon the merger being effective.

### C) Other Matters

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
Income tax matters not acknowledged as debts (see note i below)	22,835.99	74,030.30
Sales tax and entertainment tax matters not acknowledged as debts (see note ii below)	1,180.04	1,687.26
Service tax / Goods and Service Tax (GST) matters not acknowledged as debts (see note iii below)	4,298.07	4,073.00
Entry tax and customs matters not acknowledged as debts (see note iv below)	403.88	351.20
Other claims not acknowledged as debts (see note v below)	4,782.51	2,611.25

The above includes amounts pertaining to ICISL, a wholly owned subsidiary, classified as held for sale (Refer Note 40(i))

- Income tax matters not acknowledged as debts - ₹ 6.71 Mn
- Sales tax and entertainment tax matters not acknowledged as debts - ₹ 0.56 Mn
- Service tax/GST matters not acknowledged as debts - ₹ 1,048.19 Mn
- Entry tax and customs matters not acknowledged as debts - ₹ 18.48 Mn
- Other claims not acknowledged as debts - ₹ 111.07 Mn

#### i. Income Tax Matters

- Appeals filed by the Company against the demands raised by Income Tax Authorities which are pending before Appellate Authorities include mainly disputes on account of incorrect disallowance of revenue share license fee, disputes on non-applicability of tax deduction at source on prepaid margin allowed to prepaid distributors & roaming settlements, disallowance of interest proportionate to interest free advances given to wholly owned subsidiaries etc.
- During the year, the Appellate Authorities decided on several matters in favor of the Company which were under appeal for assessments done relating to periods prior to AY 2015-16. These matters pertain to incorrect disallowance of revenue share license fees, demerger of Passive Infra business to the step down subsidiary from the Company and demerger of Bihar Telecom undertaking from its subsidiary into the Company, depreciation on spectrum and other matters including disallowance on prepaid margin allowed to prepaid distributors & roaming settlements. The Tax Department may however appeal further in higher forums.

#### ii. Sales Tax and Entertainment Tax

- Sales Tax demands mainly relates to the demands raised by the VAT/Sales Tax Authorities of few states on Broadband Connectivity, SIM cards etc. on which the Company has already paid Service Tax.
- Demand of tax for non-submission of Declaration forms viz. C forms & F forms in stipulated time limit.
- In one State entertainment tax is being demanded on revenue from value added services. However, the Company has challenged the constitutional validity of the levy.



## Notes forming part of the Consolidated Financial Statements

### iii. Service Tax / GST

Service Tax/GST demands mainly relates to the following matters:

- Interpretation issues arising out of Rule 6 (3) of the Cenvat Credit Rules, 2004.
- Denial of Cenvat credit related to Towers and Shelters.
- Demand raised on services provided by foreign telecom operators stating that it is liable to Service tax under reverse charge.
- Disallowance of Cenvat Credit on input services viewed as not related to output service.
- Demand of tax on telecommunication services provided to employees.
- Demand of interest on the credit availed but not utilized.

### iv. Entry Tax

- Entry Tax disputes pertains to classification / valuation of goods.

### v. Other claims not acknowledged as debts

- Mainly include consumer forum cases, disputed port charges, miscellaneous disputed matters with local Municipal Corporation, Electricity Board and others including EB rate dispute in a couple of circles.

## 43. DETAILS OF GUARANTEES GIVEN AND LETTER OF CREDITS ISSUED

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
Bank guarantees given*	111,441.26	114,302.80
Letter of Credits (LC's) issued#	3,083.67	-

\*includes guarantees towards first installment of deferred payment liability of ₹ 73,808.22 Mn (Previous Year: ₹ 73,808.22 Mn).

#LC's primarily issued to vendors of capital equipment supplies. Out of the above supplies shipped / received amount to ₹ 2,121.18 Mn included in payable for capital expenditure.

## 44. OPERATING LEASE

### a) Group as lessee

The Group has entered into non-cancellable operating leases for offices, switches and cell sites for periods ranging from 36 months to 240 months.

Lease payments amounting to ₹ 48,844.30 Mn (Previous year: ₹ 50,423.93 Mn) are included in passive infrastructure charges, non-network rent, switching and cell-site rent in the Consolidated Statement of Profit and Loss. Terms of the lease include operating term for renewal, increase in rent in future periods and terms for cancellation, where applicable.

Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
Within one year	42,814.15	45,333.60
After one year but not more than five years	133,752.08	127,326.34
More than five years	28,747.47	60,332.11

The above includes amounts pertaining to ICISL, a wholly owned subsidiary, classified as held for sale (refer note 40(i)):

- Within one year - ₹ 1,376.70 Mn
- After one year but not more than five years - ₹ 5,441.02 Mn
- More than five years - ₹ 5,242.74 Mn

## Notes forming part of the Consolidated Financial Statements

### b) Group as lessor

The Group has leased certain Optical Fibre Cables pairs (OFC) on Indefeasible Rights of Use (IRU) basis and certain cell sites under operating lease arrangements. The gross block, accumulated depreciation and depreciation expense of the assets given on lease are not separately identifiable and hence not disclosed.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

Particulars	₹ Mn	
	As at March 31, 2018	As at March 31, 2017
Within one year	2,993.26	2,909.54
After one year but not more than five years	11,294.19	10,579.63
More than five years	7,004.71	8,445.32

The above includes amount pertaining to ICISL, a wholly owned subsidiary, classified as held for sale (Refer Note 40 (i))

- Within one year - ₹ 2,658.60 Mn
- After one year but not more than five years - ₹ 11,294.19 Mn
- More than five years - ₹ 7,004.71 Mn

45. The Group has composite IT outsourcing agreements where in Property, plant and equipment, computer software and services related to IT has been supplied by the vendor. Such Property, plant and equipment received have been accounted for as finance lease. Correspondingly, such assets are recorded at fair value at the time of receipt and depreciated on the stated useful life applicable to similar IT assets of the Group.

### 46. DETAILS OF CURRENT INVESTMENTS

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty in '000 Units	₹ in Mn Value	Qty in '000 Units	₹ in Mn Value
Birla Sun Life Cash Plus - Direct – Growth	136,849.70	38,224.13	171,583.65	44,836.38
L&T Liquid Fund - Direct – Growth	365.84	871.24	-	-
SBI Premier Liquid Fund - Direct – Growth	2,301.05	6,268.96	-	-
Tata Money Market Fund - Regular – Growth	202.01	550.88	-	-
Invesco India Liquid Fund - Direct– Growth	195.95	468.72	-	-
HDFC Cash Management Fund - Savings Plan - Direct - Growth	1,344.47	4,872.91	-	-
ICICI Prudential Liquid -Direct- Growth	19,629.48	5,047.46	-	-
Reliance Liquidity Fund - Direct – Growth	-	-	510.11	1,250.38
DSP Black Rock Liquidity Fund - Direct – Growth	-	-	537.59	1,250.32
UTI-Liquid Cash Plan -Direct- Growth	-	-	357.58	1,000.27
Kotak Liquid Scheme - Plan A - Direct – Growth	-	-	100.10	330.09
IDFC Cash Fund - Direct – Growth	-	-	167.07	330.08
<b>Total</b>	<b>160,888.50</b>	<b>56,304.30</b>	<b>173,274.10</b>	<b>48,997.52</b>

## Notes forming part of the Consolidated Financial Statements

### 47. DETAILS OF FOREIGN CURRENCY EXPOSURES

#### a. Hedged by a Derivative Instrument

Amount in Mn

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	52.76	127.03
Equivalent INR of Foreign Currency Loan*	3,565.56	10,000.89
<b>Trade Payables and Other Current Financial Liabilities</b>		
Trade Payables in USD	67.68	161.67
Interest accrued but not due on Foreign Currency Loans in USD	0.08	0.05
Equivalent INR of Trade Payables and Other Current Financial Liabilities*	4,459.15	10,891.80

\*Amount in INR represents conversion at hedged rate

#### b. Not hedged by a Derivative Instrument or otherwise

Amount in Mn

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Foreign Currency Loan</b>		
Foreign Currency Loan in USD	472.20	473.75
Equivalent INR of Foreign Currency Loan#	30,713.94	30,717.39
<b>Trade Payables and Other Current Financial Liabilities</b>		
Trade Payables in USD	180.60	138.67
Trade Payables in EURO	0.21	0.16
Trade Payables in GBP	0.02	0.03
Interest accrued but not due on Foreign Currency Loans in USD	0.36	2.93
Equivalent INR of Trade Payables and Other Current Financial Liabilities#	11,788.72	9,195.09
<b>Trade Receivables</b>		
Trade Receivables in USD	20.43	13.55
Trade Receivables in EURO	0.21	0.23
Trade Receivables in GBP	0.01	-
Equivalent INR of Trade Receivables in Foreign Currency#	1,346.54	894.93

# Amount in INR represents conversion at closing rate

### 48. MOVEMENT OF ALLOWANCES FOR DOUBTFUL DEBTS/ADVANCES

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	6,332.36	4,463.35
Charged to the Statement of Profit and Loss (Net)(Refer Note 38)	1,629.51	1,869.01
Allowances for doubtful debts pertaining to ICISL disclosed under Assets held for sale	(169.99)	-
<b>Closing Balance</b>	<b>7,791.88</b>	<b>6,332.36</b>

## Notes forming part of the Consolidated Financial Statements

### 49. ASSET RETIREMENT OBLIGATION

The Group installs equipments on leased premises to provide seamless connectivity to its customers. In certain cases, the Company may have to incur some cost to remove such equipment's on leased premises. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	524.75	468.63
Additional Provision	10.48	14.19
Unwinding of discount	47.46	41.93
Utilisation	(0.90)	-
ARO pertaining to ICISL disclosed under Assets held for sale (Refer Note 40(i))	(487.84)	-
<b>Closing Balance</b>	<b>93.95</b>	<b>524.75</b>

### 50. SEGMENT INFORMATION:

The Group operates in three different segments as

- Mobility Services: providing GSM based mobile and related telephony services.
- International Long Distance (ILD): providing international long distance services.
- Passive Infrastructure (PI): providing passive infrastructure services.

The above segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief Operating Decision Maker (CODM) to assess the Group's performance and allocate resources.

Transactions between segments are accounted on agreed terms on arm's length basis and have been eliminated at the Group level.

The Group's operating segment information for the period ended March 31, 2018 is as below:

Particulars	Business Segments			Elimination	Total
	Mobility	ILD	PI*		
<b>Revenue</b>					
External Revenue	273,709.35	4,750.93	4,329.11	-	282,789.39
Inter-segment Revenue	1,395.97	1,378.16	6,882.13	(9,656.26)	-
<b>Total Revenue from Operations</b>	<b>275,105.32</b>	<b>6,129.09</b>	<b>11,211.24</b>	<b>(9,656.26)</b>	<b>282,789.39</b>
<b>Segment Result</b>	<b>(27,390.27)</b>	<b>692.12</b>	<b>3,082.73</b>	<b>-</b>	<b>(23,615.42)</b>
Other Income					3,529.30
Finance Cost					(48,129.69)
<b>Loss before Tax and share in profit / (loss) of Joint Venture and Associate</b>					<b>(68,215.81)</b>
Add: Share in Profits of Joint Venture					3,457.88
Less: Share in Loss of Associate					(234.35)
<b>Loss before Tax</b>					<b>(64,992.28)</b>
Tax Expenses (Net)					23,310.68
<b>Loss after Tax</b>					<b>(41,681.60)</b>
<b>Other Information</b>					
Depreciation & Amortisation	83,119.57	28.82	942.57	-	84,090.96
Capital Expenditure	76,033.69	61.08	335.30	-	76,430.07

\*refer note 40 (i)

## Notes forming part of the Consolidated Financial Statements

The Group's operating segment information for the year ended March 31, 2017 is as below:

Particulars	Business Segments			Elimination	Total
	Mobility	ILD	PI		
<b>Revenue</b>					
External Revenue	346,856.70	6,177.04	2,723.63	-	355,757.37
Inter-segment Revenue	1,931.40	1,333.40	4,861.24	(8,126.04)	-
<b>Total Revenue from Operations</b>	<b>348,788.10</b>	<b>7,510.44</b>	<b>7,584.87</b>	<b>(8,126.04)</b>	<b>355,757.37</b>
<b>Segment Result</b>	<b>22,759.59</b>	<b>521.67</b>	<b>1,209.56</b>	<b>-</b>	<b>24,490.82</b>
Other Income					3,069.35
Finance Cost					(40,410.78)
<b>Loss before Tax and share in profit / (loss) of Joint Venture and Associate</b>					<b>(12,850.61)</b>
Add: Share in Profits of Joint Venture					4,302.93
Add: Share in Loss of Associate					(84.67)
<b>Loss before Tax</b>					<b>(8,632.35)</b>
Tax Expenses (Net)					4,635.39
<b>Loss after Tax</b>					<b>(3,996.96)</b>
<b>Other Information</b>					
Depreciation & Amortisation	76,973.11	27.32	1,271.61	-	78,272.04
Capital Expenditure	212,078.72	30.73	755.79	-	212,865.24

The Group's segment assets and liabilities as at March 31, 2018 are as below:

Particulars	Mobility	ILD	PI*	Unallocated^	Total
Segment Assets <sup>#</sup>	866,792.14	1,042.94	25,379.61	92,863.22	986,077.91
Less: Inter Segment Eliminations	(148.00)	-	(158.26)		(306.26)
<b>Total Assets</b>	<b>866,645.14</b>	<b>1,042.94</b>	<b>25,221.35</b>	<b>92,862.22</b>	<b>985,771.65</b>
Segment Liabilities	710,584.70	231.73	1,972.45	664.43	713,453.31
Less: Inter Segment Eliminations	(158.26)	(148.00)	-	-	(306.26)
<b>Total Liabilities</b>	<b>710,426.44</b>	<b>83.73</b>	<b>1,972.45</b>	<b>664.43</b>	<b>713,147.05</b>

\*refer note 40 (i)

<sup>#</sup> Segment assets for PI include the Groups' investment in Indus of ₹ 14,712.48 Mn

The Group's segment assets and liabilities as at March 31, 2017 are as below:

Particulars	Mobility	ILD	PI	Unallocated^	Total
Segment Assets	877,083.97	975.05	23,164.75	67,077.97	968,301.74
Less: Inter Segment Eliminations	(533.40)	(144.35)	(577.05)		(1,254.80)
<b>Total Assets</b>	<b>876,550.57</b>	<b>830.70</b>	<b>22,587.70</b>	<b>67,077.97</b>	<b>967,046.94</b>
Segment Liabilities	703,836.68	479.55	3,050.19	13,612.88	720,979.30
Less: Inter Segment Eliminations	(721.40)		(533.40)		(1,254.80)
<b>Total Liabilities</b>	<b>703,115.28</b>	<b>479.55</b>	<b>2,516.79</b>	<b>13,612.88</b>	<b>719,724.50</b>

^Unallocated assets mainly consist of current investment, current tax assets, and deferred tax assets.

Unallocated liabilities mainly consist of deferred tax liability.

### Information About major customers

There is no single external customer from whom the revenue exceeds 10% of the total revenue of the Group.

## Notes forming part of the Consolidated Financial Statements

### 51. Share-based payments

#### Employee stock option plan

The Company has granted stock options under the employee stock option scheme (ESOS) 2006 and stock options as well as restricted stock units (RSU's) under ESOS 2013 to the eligible employees of the Company and its subsidiaries from time to time. These options, subject to fulfillment of vesting conditions, would vest in 4 equal annual installments after one year of the grant and the RSU's will vest after 3 years from the date of grant. The maximum period for exercise of options and RSU's is 5 years from the date of vesting. Each option and RSU when exercised would be converted into one fully paid-up equity share of ₹ 10 each of the Company. The options granted under ESOS 2006 and options as well as RSUs granted under the ESOS 2013 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black & Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the options/RSU's during the year ended March 31, 2018 and March 31, 2017. During the year, certain unvested options were cancelled on non-fulfillment of certain vesting conditions under ESOS 2013. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
<b>i) Options granted under ESOS 2006</b>				
Options outstanding at the beginning of the year	1,217,151	58.80	2,681,041	52.56
Options exercised during the year	609,912	54.43	1,337,663	46.37
Options cancelled during the year	14,625	65.09	9,750	68.86
Options expired during the year	65,937	57.15	116,477	56.97
Options outstanding at the end of the year	526,677	63.90	1,217,151	58.80
Options exercisable at the end of the year	526,677	63.90	1,217,151	58.80
Range of exercise price of outstanding options (₹)	57.55 - 68.86		45.55 - 68.86	
Remaining contractual life of outstanding options (years)	0.72 - 1.81		0.31 - 2.81	
<b>ii) Options granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	18,972,641	126.28	19,018,618	126.66
Options granted during the year	-	-	416,033	110.45
Options cancelled during the year	5,876,027	126.13	462,010	127.29
Options outstanding at the end of the year	13,096,614	126.35	18,972,641	126.28
Options exercisable at the end of the year	12,635,255	126.79	13,166,437	126.76
Range of exercise price of outstanding options (₹)	110.45 - 150.10		110.45 - 150.10	
Remaining contractual life of outstanding options (years)	1.87 - 7.87		2.87 - 8.87	
<b>iii) RSU's granted under ESOS 2013</b>				
Options outstanding at the beginning of the year	5,009,212	10.00	8,550,446	10.00
Options granted during the year	-	-	161,869	10.00
Options exercised during the year	2,507,198	10.00	3,481,190	10.00
Options cancelled during the year	107,358	10.00	221,913	10.00
Options outstanding at the end of the year	2,394,656	10.00	5,009,212	10.00
Options exercisable at the end of the year	1,853,893	10.00	4,123,456	10.00
Range of exercise price of outstanding options (₹)	10.00		10.00	
Remaining contractual life of outstanding options (years)	3.87 - 6.87		4.87 - 7.87	

The weighted average share price at the date of exercise of options exercised during the year was ₹ 85.15 (March 31, 2017 ₹ 84.88)



## Notes forming part of the Consolidated Financial Statements

The fair value of each option and RSU is estimated on the date of grant / re-pricing based on the following assumptions:

Particulars	ESOS 2006					
	On the date of Grant				On the date of re-pricing	
	Tranche I (31/12/07)	Tranche II (24/07/08)	Tranche III (22/12/09)	Tranche IV (24/01/11)	Tranche I (21/12/09)	Tranche II (21/12/09)
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	4 yrs 6 months	5 yrs 9 months
Risk free interest rate (%)	7.78	7.50	7.36	8.04-8.14	7.36	7.36
Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54
Market price on date of grant/re-pricing (₹)	131.3	91.95	57.55	68.86	57.05	57.05
Fair Value*	68.99	48.25	31.34	37.47	18.42	10.57

\*As on the date of transition from IGAAP to Ind AS on April 1, 2015, all ESOP's were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/01/16)	Tranche IV (11/02/17)
	Stock Options	Stock Options	Stock Options	Stock Options
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months	6 yrs 6 months
Risk free interest rate (%)	8.81 - 8.95	8.04 - 8.06	7.42 - 7.66	6.68 - 7.03
Volatility (%)	34.13-44.81	34.28-42.65	34.24 - 35.33	36.37 - 38.87
Market price on date of grant (₹)	126.45	150.1	117.55	110.45
Fair Value	60.51#	66.27	48.97	46.39

#As on the date of transition IGAAP to Ind AS on April 1, 2015, first instalment of the grant were vested and therefore, in line with the exemptions under Ind AS 101, the expense of such share based payment has been recognised based on intrinsic value.

Particulars	ESOS 2013			
	Tranche I (11/02/14)	Tranche II (29/12/14)	Tranche III (21/01/16)	Tranche IV (11/02/17)
	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units	Restricted Stock Units
Dividend yield (%)	0.24	0.40	0.51	0.54
Expected life	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.91	8.05	7.60	6.94
Volatility (%)	43.95	35.66	34.24	37.21
Market price on date of grant (₹)	126.45	150.1	117.55	110.45
Fair Value	118.70	140.41	107.71	100.40

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

## Notes forming part of the Consolidated Financial Statements

### 52. EMPLOYEE BENEFITS

#### A. Defined Benefit Plan (Gratuity)

##### General description and benefits of the plan

The respective companies in the Group operate a defined benefit final salary gratuity plan through a trust. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. In case of employees retiring from the Company, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972 depending on the period of continuous service. The benefit is payable on termination of service or retirement, whichever is earlier. The employees do not contribute towards this plan and the full cost of providing these benefits are borne by the Company.

##### Regulatory framework, funding arrangement and governance of the Plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax act and rules. The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The trustees of the trust are responsible for the overall governance of the plan. The trustees of the plan have outsourced the investment management of the fund to insurance companies which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2018 and March 31, 2017, the contributions towards the plans have been invested in Insurer Managed Funds.

##### Inherent risks

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the Consolidated Balance Sheet for gratuity:

		₹ Mn	
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	<b>Amount recognised in Balance Sheet</b>		
	Present value of obligations as at the end of the year	2,347.77	2,400.25
	Fair value of plan assets as at the end of the year	794.44	826.14
	Net Funded Obligation	1,553.33	1,574.11
	Net Asset/(Liability) recognised in Balance Sheet	(1,553.33)	(1,574.11)
	Net Asset/(Liability) recognised in Balance Sheet is bifurcated as		
	- Other non-financial asset	5.90	0.80
	- Long term provision	(1,522.03)	(1,574.91)
	- Liabilities classified as held for sale	(37.20)	-

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1</b>	<b>Reconciliation of Net Defined Benefit Obligation</b>		
	Opening Net Defined Benefit liability/(asset)	1,574.11	1,542.73
	Expense charged to the Statement of Profit & Loss	447.09	427.93
	Expense / (Income) charged to OCI	(441.41)	56.82
	Employer contributions	(14.53)	(423.56)
	Liabilities assumed / (settled)*	(13.51)	(29.81)
	Impact of Divestiture	1.58	-
	Closing Net Defined Benefit liability/(asset)	1,553.33	1,574.11
<b>2</b>	<b>Reconciliation of Defined Benefit Obligation</b>		
	Opening Defined Benefit Obligation	2,400.25	1,968.28
	Current Service cost	340.96	307.84
	Interest on Defined Benefit Obligation	167.09	157.94
	Re-measurement (Gain)/Loss arising from change in financial assumptions	(203.77)	295.86
	Re-measurement (Gain)/Loss arising from change in demographic assumption	(253.47)	0.19
	Re-measurement (Gain)/Loss arising on account of experience changes	(9.72)	(237.57)
	Benefits paid	(79.65)	(62.48)
	Liabilities assumed / (settled)*	(13.52)	(29.81)
	Liabilities transferred on account of Divestiture	(0.40)	-
	Closing Defined Benefit Obligation	2,347.77	2,400.25
<b>3</b>	<b>Reconciliation of plan assets</b>		
	Opening fair value of plan assets	826.14	425.55
	Employer contributions	14.52	423.56
	Interest on plan assets	60.96	37.85
	Re measurements due to-		
	- Actual return on plan assets less interest on plan assets	(25.55)	1.66
	Benefits paid	(79.65)	(62.48)
	Assets transferred on account of Divestiture	(1.98)	-
	Closing fair value of plan assets	794.44	826.14

\*On account of inter group transfer.

Amounts recognised in Statements of Profit and Loss in respect of these defined benefit plans are as follows:

₹ Mn

Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1</b>	<b>Expenses Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service cost	340.96	307.84
	Interest on Net Defined Benefit liability/(asset)	106.13	120.09
	Expenses recognised in the Statement of Profit & Loss	447.09	427.93
<b>2</b>	<b>Amount recorded as Other Comprehensive Income (OCI)</b>		
	Re measurement during the year due to		
	- Changes in financial assumptions	(203.77)	295.86

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	- Changes in demographic assumptions	(253.47)	0.19
	- Experience adjustments	(9.72)	(237.57)
	- Return on plan assets (excluding amounts included in net interest expense)	25.55	(1.66)
	Amount recognised in OCI (gains)/ loss	(441.41)	56.82

The principal assumptions used in determining gratuity obligations are shown below:

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.85%	7.10%
Future salary increases*	8.00%	8.00%
Attrition rate	2.00% - 25.00%	2.00% - 12.00%
Mortality rate during employment	As per Indian Assured Lives Mortality (2006-08) Ult Table	
Disability	Leaving service due to disability is included in the provision made for all causes of leaving service.	

\*The estimates of future salary increase considered takes into account inflation, seniority, promotion and other relevant factors.

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as below:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Discount Rate	Salary escalation Rate	Discount Rate	Salary escalation Rate
Impact of increase in 50 bps on DBO	(5.23)%	5.61%	(8.04)%	5.36%
Impact of decrease in 50 bps on DBO	5.67%	(5.24)%	5.46%	(8.01)%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Within the next 12 months	158.00	158.00

Disaggregation details of plan assets (% allocation):

₹ Mn

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Insurer Managed Funds*	794.44	826.14

\*The funds are managed by Insurers and they do not provide breakup of plan assets by investment type.

## Notes forming part of the Consolidated Financial Statements

### Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Expected benefits for year 1	183.64	92.88
Expected benefits for year 2	129.58	73.69
Expected benefits for year 3	126.67	78.87
Expected benefits for year 4	143.71	82.42
Expected benefits for year 5 and above	5,945.57	7,089.90

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.92 – 15.92 years (March 31, 2017: 12.92 - 19.53 years).

### B. Defined contribution plans:

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

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Employers' contribution to provident and pension fund	562.26	572.84
Employers' contribution to superannuation fund	133.94	116.92

C. The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2018 and March 31, 2017, the contributions towards the plans have been invested in Insurer Managed Funds.

### 53. AUDITOR'S REMUNERATION

Particulars	₹ Mn	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory Audit Fees	38.01	47.20
Certification and Other services (included in Legal and Professional Charges)	6.06 <sup>#</sup>	22.90 <sup>*</sup>
Out of pocket expenses (included in Misc. Expenses)	3.50	0.99
<b>Total Remuneration</b>	<b>47.57</b>	<b>71.09</b>

<sup>#</sup> excludes ₹ 6 Mn paid to Statutory Auditors for attestation related to QIP as it is netted off from securities premium

<sup>\*</sup> includes ₹ 5 Mn payment to an affiliate firm of statutory auditors

### 54. EXPENDITURE FOR CORPORATE SOCIAL RESPONSIBILITY

- Gross amount required to be spent by the Group during the year is ₹ 497.12Mn (Previous year ₹ 744.49 Mn).
- Amount spent for the year ended March 31, 2018:

Sr. No.	Particulars	₹ Mn		Total
		Amount Paid	Amount Payable	
1	Healthcare	25.60	20.53	46.13
2	Education	69.58	45.93	115.51
3	Sanitation	22.14	3.96	26.10
4	Others	0.58	16.08	16.66
	<b>Total</b>	<b>117.90</b>	<b>86.51</b>	<b>204.40</b>

## Notes forming part of the Consolidated Financial Statements

c) Amount spent for the year ended March 31, 2017:

				₹ Mn
Sr. No.	Particulars	Amount Paid	Amount Payable	Total
1	Healthcare	170.70	112.45	283.15
2	Education	20.59	2.52	23.11
3	Sanitation	12.00	2.40	14.40
4	Others	36.41	15.40	51.81
	<b>Total</b>	<b>239.70</b>	<b>132.77</b>	<b>372.47</b>

### 55. INCOME TAX EXPENSE

(a) Major components of tax expense

			₹ Mn
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>Current Tax</b>			
Current Tax on profits for the year	1,233.90	990.09	
<b>Total Current Tax Expense (A)</b>	<b>1,233.90</b>	<b>990.09</b>	
<b>Deferred Tax</b>			
Relating to addition & reversal of temporary differences	(24,593.05)	(4,569.66)	
Relating to effect of previously unrecognised tax credits, now recorded	-	(1,053.33)	
Relating to change in tax rate	48.47	(2.49)	
<b>Total Deferred Tax Expense (B)</b>	<b>(24,544.58)</b>	<b>(5,625.48)</b>	
<b>Total Tax Expense (A+B)</b>	<b>(23,310.68)</b>	<b>(4,635.39)</b>	
Income tax effect of re-measurement (gains)/ losses on defined benefit plans taken to other comprehensive income	(151.81)	19.30	

(b) Reconciliation of average effective tax rate and applicable tax rate

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before income tax expense (₹ Mn)	(64,992.28)	(8,632.35)
<b>Applicable Tax Rate</b>	<b>34.61%</b>	<b>34.61%</b>
Increase / reduction in taxes on account of:		
Effect of share of profits in JV/ Associate	1.72%	16.91%
Effect of previously unrecognised tax credits, now recorded	-	12.20%
Effects of expenses / income that are not deductible / considered in determining the taxable profits	0.36%	(2.20)%
Effect of different tax rate	0.05%	(0.07)%
Effects of losses on which deferred tax not recognised	-	(2.33)%
Effect of undistributed retained earnings of JV	(0.95)%	(6.00)%
Effect of changes in tax rate	(0.06)%	-
Other Items	0.14%	0.57%
<b>Effective Tax Rate</b>	<b>35.87%</b>	<b>53.70%</b>



## Notes forming part of the Consolidated Financial Statements

- (c) Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, in view of uncertainty the Company has not recognized deferred tax assets in respect of temporary differences arising out of effects of assessments and unused tax losses/credits of ₹ 140.28 Mn as of March 31, 2018 (Previous year ₹ 1,324.73 Mn). Out of above loss of ₹ 140.28 Mn, loss of ₹ 94.78 Mn has lapse in FY 2017-18. Further the unused loss of ₹ 45.20 Mn will lapse in the subsequent years and details are as under:

Particulars	March 31, 2018	March 31, 2017
Within 1 year	-	409.87
From 1-3 years	0.09	0.31
Above 3 years	45.11	914.38
<b>Total</b>	<b>45.20</b>	<b>1,324.56</b>

- (d) The deferred tax liability has not been recognised with respect to unremitted retained earnings with respect to certain of its subsidiaries where the Group is in a position to control the timing of distribution of the profits and it is probable that the subsidiary will not distribute the profits in the foreseeable future. The temporary differences associated with respect to unremitted retained earnings aggregating to ₹ 3,627.21 Mn as of March 31, 2018 (Previous year ₹ 1,857.24 Mn). The distribution of the same is expected to attract tax at the rate of 20.36% applicable as of March 31, 2018.

### 56. MOVEMENT IN DEFERRED TAX

₹ Mn

Particulars	Recognised in					As at March 31, 2017	Recognised in					As at March 31, 2018
	As at April 01, 2016	Profit and Loss	OCI	Retained Earnings	MAT Credit Utilisation		Profit and Loss	OCI	Retained Earnings	AHFS		
<b>Liabilities</b>												
Depreciation & Amortisation	31,120.09	20,828.39	-	-	-	51,948.48	13,977.15	-	-	41.51	65,967.15	
Effects of remeasuring financial instruments under Ind AS	856.97	(765.53)	-	-	-	91.44	503.22	-	-	(5.80)	588.86	
Investment in subsidiaries	-	-	-	-	-	-	(0.00)	-	-	-	(0.00)	
Effects of inflation linked escalation on rental income / expense not requiring equalization over the lease term	2,086.58	(2,091.08)	-	-	-	(4.50)	0.27	-	-	4.24	0.01	
Undistributed retained earnings of JV	800.70	517.51	-	(737.50)	-	580.71	619.61	-	(540.98)	-	659.34	
Others	147.41	(147.41)	-	-	-	-	-	-	-	-	-	
<b>Total (A)</b>	<b>35,011.75</b>	<b>18,341.88</b>	<b>-</b>	<b>(737.50)</b>	<b>-</b>	<b>52,616.13</b>	<b>15,100.25</b>	<b>-</b>	<b>(540.98)</b>	<b>39.96</b>	<b>67,215.36</b>	
<b>Assets</b>												
Tax Losses	-	22,181.16	-	-	-	22,181.16	38,857.11	-	-	-	61,038.27	
Expenses allowable on Payment Basis	1,644.31	216.03	19.30	-	-	1,879.64	168.07	(151.80)	-	(53.58)	1,842.33	
Provisions for doubtful debts/ advances	1,380.32	650.16	-	-	-	2,030.48	599.32	-	-	(59.40)	2,570.40	
MAT credit	12,285.87	899.35	-	-	(61.79)	13,123.43	0.19	-	-	-	13,123.62	
Others	162.64	20.66	-	-	-	183.30	20.14	-	-	(170.48)	32.96	
<b>Total (B)</b>	<b>15,473.15</b>	<b>23,967.36</b>	<b>19.30</b>	<b>-</b>	<b>(61.79)</b>	<b>39,398.00</b>	<b>39,644.83</b>	<b>(151.80)</b>	<b>-</b>	<b>(283.46)</b>	<b>78,607.58</b>	
<b>Net Deferred Tax Liabilities/(assets) (A-B)</b>	<b>19,538.60</b>	<b>(5,625.48)</b>	<b>(19.30)</b>	<b>(737.50)</b>	<b>61.79</b>	<b>13,218.13</b>	<b>(24,544.58)</b>	<b>151.80</b>	<b>(540.98)</b>	<b>323.42</b>	<b>(11,392.22)</b>	
<b>As per Financials :</b>												
Deferred Tax Asset	-	-	-	-	-	368.97	-	-	-	-	12,051.57	
Deferred Tax Liabilities	19,538.60	-	-	-	-	13,587.10	-	-	-	-	659.35	

## Notes forming part of the Consolidated Financial Statements

### 57. BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Nominal value of equity shares (₹)	10/-	10/-
Loss after Tax* (₹ Mn)	(41,965.92)	(4,420.13)
Loss attributable to equity shareholders* (₹ Mn)	(41,965.92)	(4,420.13)
Weighted average number of equity shares outstanding during the year	3,692,852,565	3,601,290,214
Basic Earnings Per Share (₹)	(11.36)	(1.23)
Dilutive effect on weighted average number of equity shares outstanding during the year	*	*
Weighted average number of diluted equity shares	3,692,852,565	3,601,290,214
Diluted Earnings Per Share (₹)	(11.36)	(1.23)

\*As the Group has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

#Adjusted for Group's share of additional depreciation debited to other equity by Joint venture pursuant to scheme.

### 58. RELATED PARTY TRANSACTIONS

The related parties where control, joint control and significant influence exist are subsidiaries, joint venture and associate respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

The Group has transactions with the below related parties:

Relationship	Related Party
Associate	Aditya Birla Idea Payments Bank Limited
Joint Venture (JV)	Indus Towers Limited
	Aditya Birla Capital Advisors Private Limited
	Aditya Birla Finance Limited
	Aditya Birla Capital Limited (Erstwhile Aditya Birla Financial Services Limited)
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Health Insurance Company Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited (ABMML)
Entities having significant influence	Aditya Birla Nuvo Limited (merged with Grasim effective from July 1, 2017)
	Axiata Group Berhad
	Axiata Investments 1 India Limited
	Axiata Investments 2 India Limited
	Birla Institute of Technology and Science Company
	Birla Sun Life Asset Management Company Limited
	Birla Sun Life Insurance Company Limited
	Birla TMT Holdings Private Limited
	Celcom Axiata Berhad

## Notes forming part of the Consolidated Financial Statements

Relationship	Related Party
	Dialog Axiata PLC- Sri Lanka
	Grasim Industries Limited
	Hindalco Industries Limited
	PT. XL Axiata, Tbk
	Robi Axiata Limited
	Smart Axiata Co. Ltd
	UltraTech Cement Limited
	Smt. Rajashree Birla
	Mr. Kumar Mangalam Birla
	Ms. Alka Bharucha (Effective from December 26, 2016 and ceased from March 31, 2018)
	Mr. Akshaya Moondra
	Mr. Arun Thiagarajan
	Mr. Himanshu Kapania
	Mr. Mohan Gyani
Key Management Personnel (KMP)	Mr. P. Murari
	Mr. Baldev Raj Gupta (Effective from May 13, 2017)
	Dr. Shridhir Sariputta Hansa Wijayasuriya (Representative of Axiata and ceased from March 30, 2018)
	Mr. R.C. Bhargava (Ceased from October 1, 2016)
	Mr. Sanjeev Aga
	Ms. Madhabi Puri Buch (Ceased from April 3, 2017)
	Ms. Tarjani Vakil
	Agora Advisory Private Limited
	Bharucha and Partners
	Breach Candy Hospital and Research Centre.
Others	Citec Engineering India Private Limited
	G.D. Birla Medical Research & Education Foundation
	Ncell Private Limited
	Bhubaneshwari Coal Mining Limited
	Svatantra Microfin Private Limited
	ICL Employee's Group Gratuity Scheme
	ICL Employee Superannuation Scheme
Trust*	Spice Communications Limited Employee Superannuation Scheme
	Idea Cellular Infrastructure Services Limited Employee's Group Gratuity Scheme
	Idea Cellular Services Limited Employee's Superannuation Scheme
	Idea Mobile Commerce Services Limited Employee's Group Gratuity Scheme

\* Transaction with trust includes contribution to provident fund, pension, gratuity and superannuation funds and refer note 52 for information on transactions with post-employment benefit plans mentioned above.

## Notes forming part of the Consolidated Financial Statements

### A. Transactions with Related Parties for the year ended March 31, 2018 and March 31, 2017

Particulars	₹ Mn				
	Associate	Entities having significant influence	Joint Venture	KMP	Others
Sale of service	0.98 (0.16)	199.58 (167.26)	8.49 (10.00)	0.04 (0.05)	39.50 (1.38)
Purchase of service	-	67.30 (170.81)	37,652.81 (40,615.45)	-	252.05 (23.79)
Remuneration*	-	-	-	73.83 (117.43)	-
Commission	0.50 -	-	-	-	-
Non-Compete Fee expense	-	-	-	15.00 (15.00)	-
Directors' Commission and sitting fees paid	-	0.30 (1.66)	-	3.92 (153.06)	-
Interest expense on NCD	-	5.54 (9.45)	-	-	-
Expense incurred on behalf of	0.35 -	0.45 (0.52)	-	-	- (0.01)
Expense incurred on Company's behalf by	-	0.24	-	-	-
Dividend paid on equity shares	-	-	-	-	-
	-	(1,339.47)	-	(0.59)	-
Investments#	991.49 (173.71)	-	-	-	-
Sale of Fixed Assets	1.78 (8.99)	-	-	-	-
Insurance premium (including advance given)	-	317.42 (385.71)	-	-	-
Contribution towards Gratuity	-	-	-	-	-
	-	(200.00)	-	-	-
Contribution towards CSR	-	-	-	-	-
	-	-	-	-	(160.00)

(Figures in bracket are for the year ended March 31, 2017)

\*excludes charge taken towards share based payments.

#includes advance given for purchase of shares and excludes shares received in lieu of shares held in IMCSL pursuant to merger of IMCSL with ABIPBL (Refer Note 40(iii)).

## Notes forming part of the Consolidated Financial Statements

### B. Balances with Related Parties:

#### i. As at March 31, 2018 and March 31, 2017

Particulars	₹ Mn				
	Associate	Entities having significant influence	Joint Venture	KMP	Others
Trade and other receivables	25.80	14.32	2.82	-	0.14
	(0.14)	(8.29)	(0.16)	-	(0.33)
Trade and other payables	0.41	14.71	5,229.18	-	8.78
	(20.17)	(2.34)	(5,909.88)	-	(109.94)
Security Deposit (included in other non-current financial assets)	-	-	1,000.00	-	-
	-	-	(1,000.00)	-	-
Other current asset (included in other current financial assets)	-	39.67	-	-	-
	-	(39.38)	-	-	-
9.45% redeemable Non- Convertible Debentures (included in borrowings)	-	-	-	-	-
	-	(100.00)	-	-	-
Interest Accrued but not due	-	-	-	-	-
	-	(3.92)	-	-	-
Remuneration payable	-	-	-	7.95	-
	-	-	-	(45.08)	-

(Figures in bracket are for the year ended March 31, 2017)

### C. Commitments with related parties: The group has lease commitments towards its joint venture amounting to ₹ 134,185.30 Mn (Previous year: ₹ 125,969.39 Mn)

### D. Compensation of Key Management Personnel of the Company:

Particulars	₹ Mn	
	March 31, 2018	March 31, 2017
Short-term employee benefits	70.99	114.68
Post-employment benefits*	2.84	2.75
Share-based payment transactions	(22.73)*	41.96

\*represents contribution to provident and superannuation funds. As Gratuity expense is based on actuarial valuations, the same cannot be computed for individual employees and hence not included.

\*the charge for the year is net of reversal on account of cancellation of unvested options.

### 59. The Company is one of the members of Aditya Birla Management Corporation Private Limited, a Company limited by guarantee, which has been formed to provide common pool of facilities and resources to its members with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses incurred under the common pool has been accounted for at actuals in the respective heads in the Consolidated Statement of Profit & Loss.

## Notes forming part of the Consolidated Financial Statements

### 60. FINANCIAL INSTRUMENTS

- a) **Financial Instruments by Category:** The following table provides categorization of all financial instruments at carrying value except non-current investments in joint venture and associates (including advance given for purchase of shares) which are carried at cost.

Particulars	As at March 31, 2018		As at March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Current investments	56,304.30	-	48,997.52	-
Trade receivables	-	8,873.86	-	13,139.21
Loans to Employees	-	44.16	-	46.68
Cash and cash equivalents	-	193.15	-	782.46
Bank balance other than cash and cash equivalents	-	98.19	-	44.97
Deposits with Body Corporates, Government Authorities and Others*	-	4,396.55	-	5,142.89
Interest receivable	-	1.07	-	0.24
Derivative Financial assets*	27.96	-	13.69	-
Others*	68.17	-	107.02	-
<b>Total Financial Assets</b>	<b>56,400.43</b>	<b>13,606.98</b>	<b>49,118.23</b>	<b>19,156.45</b>
<b>Financial Liabilities</b>				
Fixed rate borrowings including interest accrued but not due	-	493,396.59	-	511,240.90
Floating rate borrowings including interest accrued but not due	-	114,262.75	-	67,855.67
Trade payables	-	35,479.09	-	40,776.67
Payables for capital expenses#	-	29,523.15	-	45,986.31
Derivative Financial liabilities#	112.12	-	1,898.51	-
Security Deposits from Customers and Others#	-	2,207.99	-	2,681.77
Others#	4.08	-	4.10	-
<b>Total Financial Liabilities</b>	<b>116.20</b>	<b>674,869.57</b>	<b>1,902.61</b>	<b>668,541.32</b>

\* included in other current / non-current financial assets

# included in other current / non-current financial liabilities

### b) Fair value hierarchy

The Group has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- i. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2018:

Particulars				₹ Mn
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current investments	56,304.30	-	-	56,304.30
Derivative financial assets	-	27.96	-	27.96
Others	-	68.17	-	68.17
<b>Total Financial Assets</b>	<b>56,304.30</b>	<b>96.13</b>	<b>-</b>	<b>56,400.43</b>
<b>Financial Liabilities</b>				
Derivative financial Liabilities	-	112.12	-	112.12
Others	-	4.08	-	4.08
<b>Total Financial Liabilities</b>	<b>-</b>	<b>116.20</b>	<b>-</b>	<b>116.20</b>



## Notes forming part of the Consolidated Financial Statements

- ii. Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2017:

Particulars	₹ Mn			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Current investments	48,997.52	-	-	48,997.52
Derivative financial assets	-	13.69	-	13.69
Others	-	107.02	-	107.02
<b>Total Financial Assets</b>	<b>48,997.52</b>	<b>120.71</b>	<b>-</b>	<b>49,118.23</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	1,898.51	-	1,898.51
Others	-	4.10	-	4.10
<b>Total Financial Liabilities</b>	<b>-</b>	<b>1,902.61</b>	<b>-</b>	<b>1,902.61</b>

- iii. The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

**a) Financial Assets**

- Trade receivables
- Deposits with Body Corporates, Government Authorities and Others
- Loans to Employees
- Cash and cash equivalents
- Bank balances other than cash and cash equivalents
- Interest receivable

**b) Financial Liabilities**

- Trade payables
- Payable for capital expenditure
- Security Deposits from Customers and Others

- iv. Fair value hierarchy of financial liabilities measured at amortised cost is below:

Particulars	Carrying Amount	₹ Mn			
		Level 1	Level 2	Level 3	Total
<b>Fixed rate borrowings including interest accrued but not due* :</b>					
As at March 31, 2018	493,396.59	-	531,474.15	-	531,474.15
As at March 31, 2017	511,240.89	-	529,377.06	-	529,377.06

\*includes Deferred Payment Liability, NCD and others.

**c) Valuation Technique used to determine fair value**

Fair value of quoted current investments in Mutual Funds is based on price quotations at the reporting date.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as Level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

### 61. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The Group also enters into derivative transactions such as foreign forward exchange contracts, Interest rate swaps as a part of Group's financial risk management policies. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

## Notes forming part of the Consolidated Financial Statements

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. A team of qualified finance professionals with appropriate skills and experience provides assurance to the management that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The risks and measures to mitigate such risks is reviewed by the committee of Board of Directors periodically.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include borrowings, bank deposits, investments and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At March 31, 2018, after taking into account the effect of interest rate swaps, approximately 80.70% of the Group's borrowings are at a fixed rate of interest (Previous year: 88.06%).

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

			₹ Mn
Particulars	Increase/decrease in basis points	Effect on profit before tax	
<b>March 31, 2018</b>			
INR – Borrowings	+ 100	(800.00)	
	- 100	800.00	
USD – Borrowings	+ 100	(318.05)	
	- 100	318.05	
<b>March 31, 2017</b>			
INR – Borrowings	+ 100	(480.00)	
	- 100	480.00	
USD – Borrowings	+ 100	(174.40)	
	- 100	174.40	

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

#### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

At March 31, 2018, the Group hedged 27.26% (Previous year: 53.83%), of its foreign currency trade payables and 10.05% (Previous year: 21.14%) of its foreign currency loan. This foreign currency risk is hedged by using foreign currency forward contracts.

## Notes forming part of the Consolidated Financial Statements

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

₹ Mn		
Currency exposure	Change in currency exchange rate	Effect on profit before tax
<b>March 31, 2018</b>		
USD	+5%	(2,057.76)
	-5%	2,057.76
<b>March 31, 2017</b>		
USD	+5%	(1,951.00)
	-5%	1,951.00

The derivatives have not been designated in a hedge relationship, they act as a hedge and will offset the underlying transaction when they occur.

### c) Price risk

The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund 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 the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

### d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### - Trade receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 to 30 days credit terms. Outstanding customer receivables are regularly monitored.

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). A large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. The Group, based on past trends, recognizes allowance for trade receivables: a) for retail subscribers (net of security deposit) remaining unpaid beyond 90 days from date of billing and b) for receivables on account of roaming, IUC and passive infrastructure sharing remaining unpaid beyond 180 days. Further, allowance is also recognised for cases indicating any specific trail of credit loss within the ageing brackets mentioned above. Individual trade receivables are written off when management deems them not to be collectible. Any subsequent recovery is recognized as Income in the Consolidated Statement of Profit and Loss. Refer Note 14 for the carrying amount of credit exposure as on the Consolidated Balance Sheet date.

#### - Other financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Group's Treasury Department on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2018 and March 31, 2017 on its carrying amounts as disclosed in notes 10, 15, 16 and 17 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instrument is noted in note 61 (e) and liquidity table below.

## Notes forming part of the Consolidated Financial Statements

### e) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. Approximately 1.80% of the Group's debt will mature in less than one year as at March 31, 2018 (Previous year: 6.21%) based on the carrying value of borrowings reflected in the financial statements. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying Value	Less than 1 year	1 to 5 years	> 5 years	₹ Mn Total payments
<b>As at March 31, 2018</b>					
Borrowings and Interest thereon*	607,659.34	31,702.26	469,625.74	577,507.68	1,078,835.68
Trade and other payables <sup>#</sup>	65,002.24	65,002.24	-	-	65,002.24
Other financial liabilities**	2,212.07	2,189.43	22.64	-	2,212.07
<b>Subtotal (A)</b>	<b>674,873.65</b>	<b>98,893.93</b>	<b>469,648.38</b>	<b>577,507.68</b>	<b>1,146,049.99</b>
Derivatives liabilities	112.12	112.12	-	-	112.12
Derivatives assets <sup>^</sup>	(27.96)	(27.96)	-	-	(27.96)
<b>Subtotal (B)</b>	<b>84.16</b>	<b>84.16</b>	<b>-</b>	<b>-</b>	<b>84.16</b>
<b>Total (A+B)</b>	<b>674,957.81</b>	<b>98,978.09</b>	<b>469,648.38</b>	<b>577,507.68</b>	<b>1,146,134.15</b>
<b>As at March 31, 2017</b>					
Borrowings and interest thereon*	579,096.57	63,031.82	377,908.16	470,531.22	911,471.20
Trade and other payables <sup>#</sup>	86,762.98	86,719.63	43.35	-	86,762.98
Other financial liabilities**	2,685.87	2,301.90	383.97	-	2,685.87
<b>Subtotal (A)</b>	<b>668,545.42</b>	<b>152,053.35</b>	<b>378,335.48</b>	<b>470,531.22</b>	<b>1,000,920.05</b>
Derivatives liabilities	1,898.51	1,898.51	-	-	1,898.51
Derivatives assets <sup>^</sup>	(13.69)	-	(13.69)	-	(13.69)
<b>Subtotal (B)</b>	<b>1,884.82</b>	<b>1,898.51</b>	<b>(13.69)</b>	<b>-</b>	<b>1,884.82</b>
<b>Total (A+B)</b>	<b>670,430.24</b>	<b>153,951.86</b>	<b>378,321.79</b>	<b>470,531.22</b>	<b>1,002,804.87</b>

\*Interest accrued but not due of ₹ 27,808.03 Mn (Previous year: ₹ 28,551.02 Mn) has been excluded from other financial liabilities and included in borrowings and interest thereon.

<sup>#</sup>Payable for capex expenditure of ₹ 29,523.15 Mn (Previous year: ₹ 45,986.31 Mn) has been excluded from other financial liabilities and included in trade and other payables.

<sup>^</sup>Included as part of maturity profile as the underlying of these derivatives are borrowings and other financial liabilities included above.

### 62. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents and investment in liquid mutual funds.

## Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings	569,624.94	516,725.37
Current maturities of long term debts	10,226.37	33,820.18
Less: Investment in liquid mutual funds	(56,304.30)	(48,997.52)
Less: Cash and cash equivalents	(193.15)	(782.46)
Less: Bank balance other than cash and cash equivalents	(98.19)	(44.97)
<b>Net Debt (A)</b>	<b>523,255.67</b>	<b>500,720.60</b>
Equity share capital	43,593.21	36,053.28
Other Equity	229,031.39	211,269.16
<b>Total Equity (B)</b>	<b>272,624.60</b>	<b>247,322.44</b>
<b>Debt Equity ratio (A)/(B)</b>	<b>1.92</b>	<b>2.02</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call the consequences attached with the same. There is no breach in such covenants as of March 31, 2018.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

## Notes forming part of the Consolidated Financial Statements

## 65. ADDITIONAL DISCLOSURE AS PER REQUIREMENT OF SCHEDULE III

Name of the entity in the Group	Net assets (total assets minus total liabilities) <sup>^</sup>		Share in profit / (loss)		Share in Other Comprehensive Income / (loss)		Share in total Comprehensive Income / (loss)	
	As % of consolidated net assets	Amount (₹ Mn)	As % of consolidated net assets	Amount (₹ Mn)	As % of consolidated net assets	Amount (₹ Mn)	As % of consolidated net assets	Amount (₹ Mn)
<b>Idea Cellular Limited</b>								
31-Mar-18	87.77%	239,283.58	114.70%	(47,807.83)	99.16%	280.32	114.80%	(47,527.51)
31-Mar-17	88.48%	218,820.65	207.93%	(8,310.75)	74.67%	(32.36)	206.50%	(8,343.11)
<b>Subsidiaries</b>								
<b>Idea Telesystems Limited</b>								
31-Mar-18	0.07%	193.69	0.00%	0.94	-	-	0.00%	0.94
31-Mar-17	0.08%	193.90	1.18%	(47.27)	-	-	1.17%	(47.27)
<b>Idea Cellular Services Limited</b>								
31-Mar-18	(0.01)%	(34.22)	(0.02)%	7.54	2.71%	7.67	(0.04)%	15.21
31-Mar-17	(0.04)%	(89.46)	(0.18)%	7.20	3.97%	(1.72)	(0.14)%	5.48
<b>Idea Cellular Infrastructure Services Limited</b>								
31-Mar-18	3.13%	8,536.42	(4.97)%	2,070.41	0.32%	0.91	(5.00)%	2,071.32
31-Mar-17	2.66%	6,579.71	(19.07)%	762.34	5.65%	(2.45)	(18.81)%	759.89
<b>Aditya Birla Telecom Limited</b>								
31-Mar-18	4.01%	10,919.88	(1.36)%	568.27*	-	-	(1.37)%	568.27
31-Mar-17	3.11%	7,703.56	(12.03)%	481.01*	-	-	(11.91)%	481.01
<b>Idea Mobile Commerce Services Limited (Ceased to exist from February 22,2018)</b>								
31-Mar-18	0.00%	-	(2.10)%	875.15#	0.25%	0.70	(2.12)%	875.85
31-Mar-17	0.02%	44.56	14.77%	(590.24)	2.28%	(0.99)	14.63%	(591.23)
<b>Associate</b>								
<b>Aditya Birla Idea Payments Bank Limited</b>								
31-Mar-18	(0.12)%	(327.70)	0.56%	(234.35)	(2.06)%	(5.83)	0.58%	(240.18)
31-Mar-17	(0.03)%	(86.14)	2.12%	(84.67)	10.04%	(4.35)	2.20%	(89.02)
<b>Joint venture</b>								
<b>Indus Towers Limited</b>								
31-Mar-18	5.15%	14,052.95	(6.81)%	2,838.27-	(0.38)%	(1.09)	(6.85)%	2,837.18
31-Mar-17	5.72%	14,155.66	(94.72)%	3,785.42-	3.39%	(1.47)	(93.64)%	3,783.95
<b>Total</b>								
31-Mar-18	100.00%	272,624.60	100.00%	(41,681.60)	100.00%	282.68	100.00%	(41,398.92)
31-Mar-17	100.00%	247,322.44	100.00%	(3,996.96)	100.00%	(43.34)	100.00%	(4,040.30)

<sup>^</sup>Net assets are after considering inter-company elimination

\*Excluding dividend received from Indus, a joint venture of the Company ₹ 2,657.36 Mn (Previous Year: ₹ 3,622.58 Mn)

#Including fair value adjustment on merger of IMCSL with ABIPBL of ₹ 867.31 Mn

~Excluding deferred tax liability arisen on consolidation ₹ 619.61 Mn (Previous Year: ₹ 517.51 Mn)



## Notes forming part of the Consolidated Financial Statements

### 64. INTEREST IN OTHER ENTITIES

#### (a) Interests in associate and joint venture:

The associate / joint venture which, in the opinion of the directors, are material to the group as at March 31, 2018 are as below. The entities listed below have share capital consisting solely of equity shares which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest		Relationship	Accounting method	Quoted fair value		Carrying amount	
		March 31, 2018	March 31, 2017			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Indus	India	11.15%	11.15%	Joint Venture	Equity Method	*	*	14,712.48	14,736.56
ABIPBL	India	49.00%	9.84%	Associate	Equity Method	*	*	1,888.64	48.19

\* Unlisted entity – No quoted price available

#### (b) Summarised financial information for associate and joint venture:

The table below provide summarised financial information for the joint venture and associate of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and associate and not Idea Cellular Limited's share of those amounts.

#### Summarised Balance Sheet:

Particulars	₹ Mn			
	Indus		ABIPBL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Equity</b>				
Equity share capital	1.19	1.19	4,523.15	1,365.65
Other equity	131,948.88	132,163.59	(2,548.61)	(267.54)
<b>Total Equity</b>	<b>131,950.07</b>	<b>132,164.78</b>	<b>1,974.54</b>	<b>1,098.11</b>
<b>Liabilities</b>				
Long term borrowings	9,556.00	10,589.19	-	-
Other non-current financial and non-financial liabilities	19,801.00	18,144.97	171.65	224.33
Deferred tax liability (Net)	10,498.00	11,225.17	-	-
Short term borrowings	24,016.00	11,535.48	-	-
Other current financial and non-financial liabilities	40,351.68	42,000.32	626.42	336.17
<b>Total Liabilities</b>	<b>104,222.68</b>	<b>93,495.13</b>	<b>798.07</b>	<b>560.50</b>
<b>Assets</b>				
Property, Plant and Equipment and Intangible (including CWIP)	185,372.00	191,656.14	1,038.91	708.93
Other non-current financial and non-financial assets	10,819.62	9,625.95	69.48	60.07
Income Tax Assets	5,179.00	5,867.71	4.85	0.10
Current investments	-	-	236.13	770.66
Cash and Cash equivalents	1,063.00	1,120.74	1,120.87	5.82
Other current financial and non-financial assets	33,739.13	17,389.37	302.37	113.03
<b>Total assets</b>	<b>236,172.75</b>	<b>225,659.91</b>	<b>2,772.67</b>	<b>1,658.61</b>

## Notes forming part of the Consolidated Financial Statements

### Summarised Statement of Profit and Loss:

Particulars	₹ Mn			
	Indus		ABIPBL	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenues from operations	187,865.00	175,279.82	14.44	-
Other income	3,818.00	1,682.88	27.95	28.05
Operating expenses	110,687.00	101,683.27	1,156.46	368.34
Profit before Finance charges, Depreciation, Amortisation and Taxes	80,996.00	75,279.43	(1,114.07)	(340.29)
Finance costs	5,052.60	5,440.29	27.28	5.49
Depreciation & amortisation expenses*	27,766.00	26,115.43	50.88	6.28
Profit /(loss) before exceptional items and tax	48,177.40	43,723.71	(1,192.23)	(352.06)
Exceptional item	572.00	-	-	-
Taxes	16,593.00	15,273.05	-	-
Profit /(loss) after tax	31,012.40	28,450.66	(1,192.23)	(352.06)
Other Comprehensive Income/(loss)	2.60	(22.03)	12.50	(0.84)
Total Comprehensive Income/(loss)	31,015.00	28,428.63	(1,179.72)	(352.90)

\*Net of adjustment of ₹ 2,544.75 Mn (Previous year: ₹ 2,776.50 Mn). with respect to additional depreciation on fair valued assets pursuant to scheme of merger.

The Group has received a dividend of ₹ 2,657.36 Mn (Previous year: ₹ 3,622.58 Mn) from Indus.

The contingent liabilities and capital commitment of the above joint venture and associates are given below:

Particulars	₹ Mn			
	Indus		ABIPBL	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Contingent Liability	43,925.00	36,787.00	-	-
Capital Commitment	4,443.40	7,077.00	63.02	674.31

## Notes forming part of the Consolidated Financial Statements

### (c) Reconciliation to carrying amounts:

The table below provides reconciliation to carrying amounts for the joint venture and associates material to the Group.

Particulars	Indus		ABIPBL		₹ Mn
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Opening net assets	132,164.78	133,762.70	1,098.11	5.00	
Profit for the year	31,012.40	28,450.66	(1192.23)	(352.06)	
Other comprehensive income/(loss)	2.60	(22.03)	12.50	(0.83)	
Dividends paid (incl. DDT)	(28,685.32)	(27,251.05)	-	-	
Other equity movement	(2,544.75)	(2,775.50)	3157.50	1360.50	
Closing net assets	131,950.08	132,164.78	1,974.54	1,098.11	
Group's share in %	11.15%	11.15%	49%	9.84%	
Group's share in ₹	14,712.48	14,736.56	967.52	108.05	

65. During the previous year, the Company had paid / accrued remuneration amounting to ₹ 100.46 Mn to its Managing Director, Mr. Himanshu Kapania which was in excess of the limits specified in section 197 of Companies Act, 2013 ('the Act') read with Schedule V thereto as the Company did not have profits. Subsequently, during the current year, the Company has obtained approval from central government / shareholders for the excess remuneration paid.

### 66. SUBSEQUENT EVENTS

The Company, along with its wholly owned subsidiary ABTL, Bharti Airtel Limited and Vodafone Group has entered into a transaction for merging Indus Towers Limited (Indus) into Bharti Infratel Limited (BIL). Idea Group has an option to either sell its 11.15% stake to BIL before the merger based on a predetermined pricing formula, or receive shares on merger of the enlarged merged entity at an agreed share exchange ratio, as a part of the merger scheme. The transaction is subject to requisite regulatory / corporate approvals and certain closing conditions.

67. Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year grouping.

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Prashant Singhal  
Partner  
Membership No.: 93283

Place : Mumbai  
Date : April 28, 2018

For and on behalf of the Board of Directors of Idea Cellular Limited

Arun Thiagarajan  
Director  
(DIN No. 00292757)

Himanshu Kapania  
Managing Director  
(DIN No. 03387441)

Tarjani Vakil  
Director  
(DIN No. 00009603)

Akshaya Moondra  
Whole time Director &  
Chief Financial Officer  
(DIN No. 02606784)

Pankaj Kapdeo  
Company Secretary











**Vodafone Idea Limited** (*formerly Idea Cellular Limited*)  
Suman Tower, Plot No. 18, Sector - 11,  
Gandhinagar - 382 011, Gujarat  
[www.ideacellular.com](http://www.ideacellular.com)  
[www.vodafoneidea.com](http://www.vodafoneidea.com)