

ADITYA BIRLA



IDEA Cellular

October 4, 2016

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Annual Report for the Financial Year 2015-16

Ref: "Idea Cellular Limited" (IDEA / 532822)

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Idea Cellular Limited (the Company), for the financial year 2015-16, duly approved and adopted by the shareholders of the Company at the Annual General Meeting held on September, 29, 2016.

The above is for your information and records.

Thanking you,

Yours truly,

For Idea Cellular Limited

Pankaj Kapdeo
Company Secretary

Encl: As Above





ANNUAL REPORT
2015-16

IDEA CELLULAR LIMITED



BIG ON GROWTH
BASED ON STRONG FUNDAMENTALS



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 scenario continues to be trapped in a low growth trajectory, despite the steep drop in crude oil and commodity prices. Furthermore, a barrage of monetary stimulus has driven down interest rates close to zero in many of the advanced economies. With the monetary stimulus option by and large exhausted, governments are more likely to turn to fiscal and structural measures to revive growth.

The IMF projects global growth to inch up from 3.1% in 2015, to 3.2% in 2016, and increasing to 3.5% in 2017. Growth in the advanced economies is projected at 1.9% in 2016, with US growth pegged at 2.4%, Europe at 1.5% and Japan at 0.5%. Growth in the emerging markets in 2016, overall, is projected at 4.1%, much of it coming from China, India and the ASEAN region. Growth in Latin America is expected to be only 0.5%, on account of a 3.8% decline in growth in Brazil. No sustained upside is seen in oil and commodity prices in 2016.

The path ahead for the global economy remains challenging,

Against the backdrop of a muted global economy, India's economy is an outperformer. For FY 2016-17, GDP growth is projected at 7.5%.

with greater uncertainties thrown in. Concerns persist about the slowdown in China and its ability to shift smoothly from export-led to domestic-led growth. Fiscal pressures will accentuate in the oil producing countries, including the rich Middle-East countries. Financial markets remain nervous and exchange rate volatility has been pronounced. This is reinforced by the impending reversal of the interest rate cycle in the US.

Indian Economy

Against the backdrop of a muted global economy, India's economy is an outperformer. For FY 2016-17, GDP growth is projected at 7.5%. This would make it the fastest growing among the large economies. This is particularly creditable in the context of two successive unfavourable monsoons and a decline in exports. Recent data indicate a 5.7% year-on-year growth in eight of the key core sector industries, against 2.3% growth registered last year.

Inflationary pressures have been contained. The rise in the consumer price index averaged 4.9% in FY 2015-16, down from 5.9% in the previous year. The wholesale price index declined 2.5% on an averaged basis, compared to a rise of 2.0% in the previous year. In FY 2015-16, merchandise exports and imports each fell over 15% over 2014-15. The trade deficit in FY 2015-16 was US\$118.5 billion, a decline of 14% over the previous year. The current account deficit narrowed sharply from US\$ 26.1 billion to US\$ 22.0 billion, representing 1.4% of GDP. India's foreign exchange reserves, as at March-end 2016 were US\$ 360.2 billion. The government is also committed to meeting the current year's fiscal target of 3.5% of GDP. Overall, the economic fundamentals are sound.

There have also been positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising the tax structure and administration, and opening up more areas for foreign investment through the automatic route. The

government is substantially stepping up infrastructure spending.

Having said that, some issues come to the fore. For instance, capital investment will take time to revive, given stretched corporate balance sheets, low capacity utilization, (at only 72.5% in the organized industrial sector), and competition from imports. Slow global output and trade growth will continue to impact exports. There is also the overhang of non-performing assets in the banking sector. Much more also needs to be done to “monsoon-proof” the Indian economy.

The growth in the manufacturing sector has been subdued, including a decline in the output of capital goods. In the services sector, growth levels have been encouraging, with telecom business at 5.4%.

Your Company's performance

It is very encouraging to see that regardless of the hyper competitive environment in the telecom sector, your Company continues its enviable track record of being among the fastest growing large Indian mobile operator for the 8th consecutive year.

During the year, your Company improved its Revenue Market Share (RMS) by 1.4% over the last one year to 18.9% (FY16), recording the highest RMS improvement by any operator. Furthermore, based on the incremental Revenue Market Share for the last four years (FY12 to FY16), your Company now stands as a clear number 2 operator in India. In the second largest wireless subscriber market of the world, '1 out of 3 new subscribers' is homing into your Company. The incremental subscriber market share (on VLR) stands at 30.5%. These trends are a clear testimony of your Company's ability to improve its market position as well as maintain its growth momentum.

Your Company took the historic leap in its telecom journey with the launch of its 4G LTE services in December 2015. In the ensuing 100 days, your Company

In the second largest wireless subscriber market of the world, '1 out of 3 new subscribers' is homing into your Company. Your Company took the historic leap in its telecom journey with the launch of its 4G LTE services in December 2015.

I strongly believe that backed with the competitive spectrum profile, a large network coverage, well established brand affinity and a proven execution track record, your Company will have an edge in the voice segment and side by side capture the emerging opportunities in the mobile data segment.

moved at a fast pace, working relentlessly to roll-out more than 14,000 4G sites in the 10 circles where it won the 4G spectrum in the last two spectrum auctions. It covered more than 21% of the population in this short span of time. Your Company aggressively expanded its 2G and 3G network across the length and breadth of the country, connecting almost a billion Indians with its GSM network. The spectrum profile of your Company is competitive and the broadband offerings on its own spectrum, now encompass 87% of its revenue.

Your Company recorded consolidated revenue of US\$ 5.4 billion (₹ 35,981 crore) with EBITDA of US\$ 2.0 billion (₹ 13,257 crore), a rise of 14% and 18% respectively over the preceding financial year.

Outlook

Your Company has emerged much stronger in the voice segment. It has now attained the stature of a leading national telecom operator vis-à-vis a regional telecom operator 8 years ago. Over the last 2 years, your Company has committed large spectrum payouts. It is now moving purposefully towards the creation of a massive network capacity to support the expected surge in the mobile data demand. Your Company stands for reach, relevance and resilience. It will always remain nimble and adaptive market conditions. I strongly believe that backed with the competitive spectrum profile, a large network coverage, well established brand affinity and a proven execution track record, your Company will have an edge in the voice segment and side by side capture the emerging opportunities in the mobile data segment.

The Aditya Birla Group: In perspective

At the Group level, we have done well both in terms of revenue and earnings. As a matter of fact, the EBITDA attained has been the highest ever.

Having worked extensively on the people front for over a decade, I am happy to state that our leadership

processes are now mature. At the management level we have built quality bench strength.

The Chairman's Series launched last year for senior leaders in the areas of business strategy, finance and personal leadership saw 150 of our senior most leaders recourse to these learning interventions.

To create a leadership pipeline to the Business Head roles within the next couple of years, we have created the Aditya Birla Fellows programme. The managers who have won this recognition are put in charge of critical Group-wide projects under my personal oversight. Up until now, we have named 14 managers who have tremendous potential to rise to the stature of Business Heads, going forward.

A slew of other initiatives have been set afoot to grow leaders from within. To do so, we have announced a hiring freeze at the middle and senior management levels for the next 3 years. It paves the way for accelerated talent growth.

In this context, I am happy to state that our accelerated leadership programme Cutting Edge, which prepares high potential leaders for P&L positions across our Group is gaining traction. It was launched last year. Up until now, 20 of the 35 graduates of this programme have already moved roles to take on higher responsibilities.

Furthermore, the 250+ youngsters who joined us over 6 years ago as Group Management Trainees, in our Leadership Associate Programmes (Lead) and Leadership Programme for Experienced youngsters (Leap), are shaping well. In the last 2 years nearly a 100 from this slot have moved across functions and businesses. Additionally, we have 25 mid-career participants who have joined us in the Group Manufacturing Leadership Programme. They too are making significant contributions in our manufacturing business units.

The first batch of 14 participants in "Spring Board", (a programme designed specially for high calibre women)

The first batch of 14 participants in "Spring Board", (a programme designed specially for high calibre women) graduated commendably to higher roles. The second batch of 39 women leaders is making good progress on their way to greater responsibilities. As of now, we have nearly 5,000 women – 14 percent in the managerial cadre.

Our people are fully aware of what business needs to succeed. They are committed to contribute their best to our values based, performance driven, meritocratic culture. We are future ready.

graduated commendably to higher roles. The second batch of 39 women leaders is making good progress on their way to greater responsibilities. As of now, we have nearly 5,000 women – 14 percent in the managerial cadre. In the last 3 years, we have had more than 1100 inter-business and over 1000 intra-business transfers of employees across levels.

At Gyanodaya, the Aditya Birla Global Centre for Leadership Learning over 2000 managers enrolled for learning programmes. With a mix of academics and live case studies, these programmes enable our people to keep abreast of the developments in their area and stay contemporary. Side by side the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 25,000 employees chose to access these programmes.

The Aditya Birla Group Leadership Programme aimed at securing young talent from the top tier Business Schools of India has become aspirational. I am happy to record that our Group's brand attractiveness has taken a quantum leap across 35 top B-Schools in India. Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2015.

In sum

All these moves are a testament to our commitment to accord a World of Opportunity for our people and they are leveraging it. Our people are fully aware of what business needs to succeed. They are committed to contribute their best to our values based, performance driven, meritocratic culture. We are future ready.

Yours sincerely,



Kumar Mangalam Birla

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Board of Directors



Mrs. Rajashree Birla
Non-Executive Director



Mr. Himanshu Kapania
Managing Director



Mr. Sanjeev Aga
Non-Executive Director



Mr. Kumar Mangalam Birla
Non-Executive Chairman



Dr. Shridhir Sariputta Hansa Wijayasuriya
Non-Executive Director



Mr. Arun Thiagarajan
Independent Director



Mrs. Madhabi Puri Buch
Independent Director



Ms. Tarjani Vakil
Independent Director



Mr. R. C. Bhargava
Independent Director



Mr. P. Murari
Independent Director



Mr. Mohan Gyani
Independent Director



Mr. Akshaya Moondra
Whole Time Director and
Chief Financial Officer
(w.e.f. July 8, 2016)

Corporate Information

Managing Director

Mr. Himanshu Kapania

**Whole Time Director and
Chief Financial Officer**

Mr. Akshaya Moondra

Company Secretary

Mr. Pankaj Kapdeo

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
706, B Wing,
ICC Trade Tower,
Senapati Bapat Road,
Pune-411 016

Cost Auditors

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

Registered Office

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

Corporate Office

Windsor, 5th Floor,
Off CST Road,
Near Vidya Nagari, Kalina,
Santacruz (East),
Mumbai-400 098

Registrar and Share Transfer Agents

Bigshare Services Pvt. Ltd.
E-2&3, Ansa Industrial Estate,
Saki-Vihar Road,
Sakinaka,
Andheri (East),
Mumbai-400 072

Website

<http://www.ideacellular.com>

Corporate Identity Number (CIN)

L32100GJ1996PLC030976

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mobile internet.



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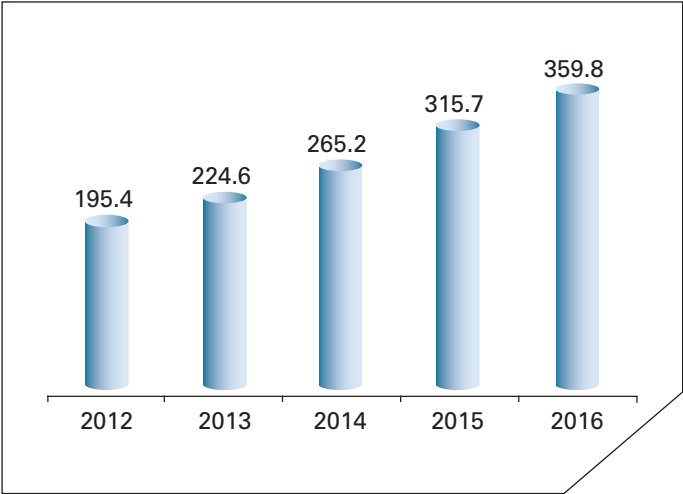
Available on Android, IOS, Windows and Blackberry App Store.
Postpaid offer also available. Conditions apply.

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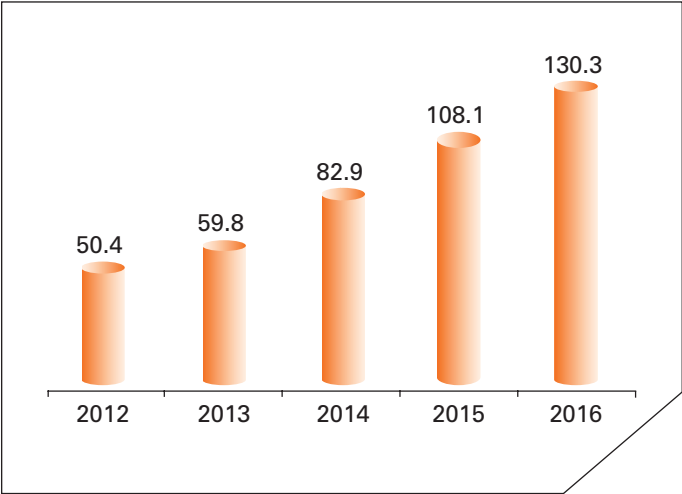
Performance Highlights (Consolidated)

₹ Bn

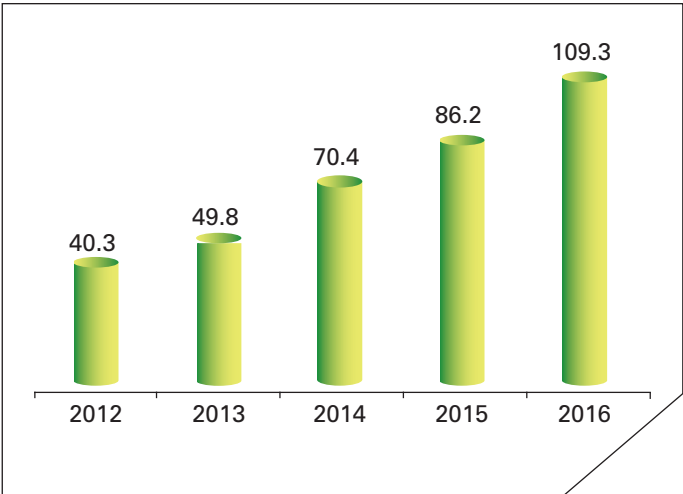
Revenue



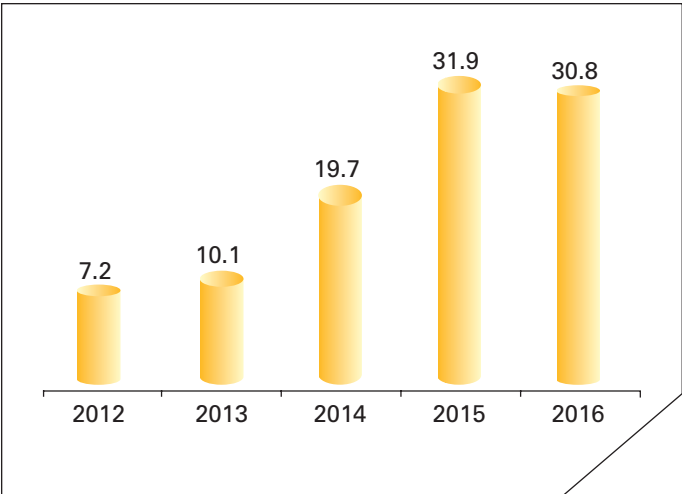
Operating EBITDA



Cash Profits



Net Profits



Change cities, not your number.

Join India's No. 1* MNP operator.
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*As on 15th Jun 2015. Conditions apply

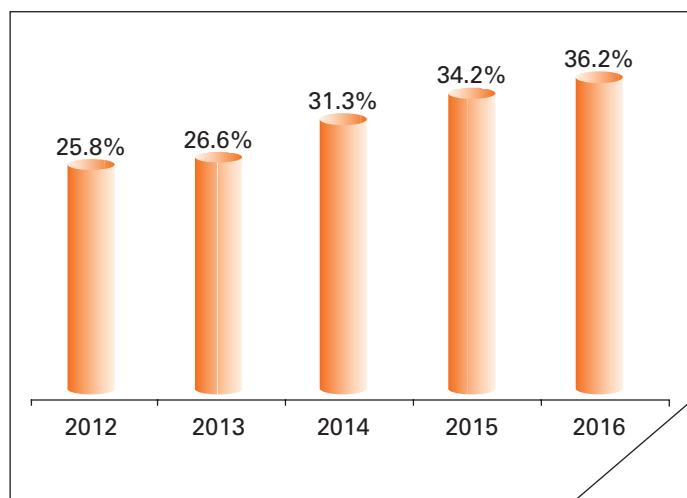


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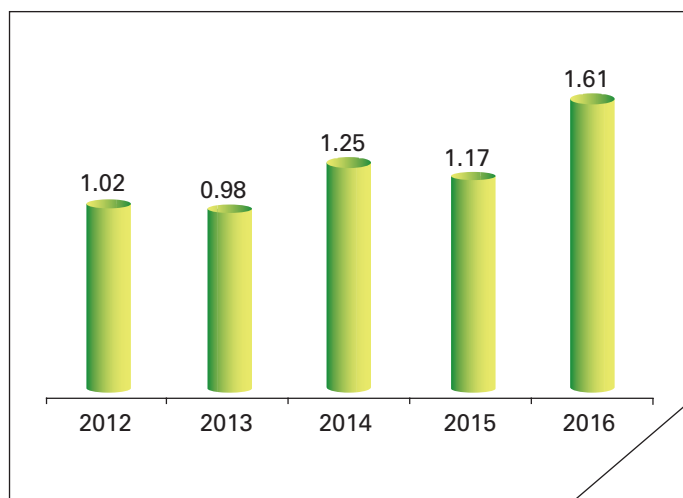
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Performance Highlights (Consolidated)

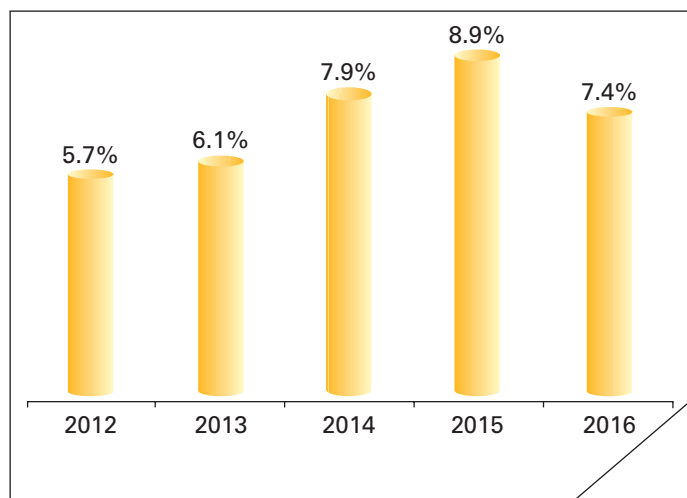
Operating EBITDA



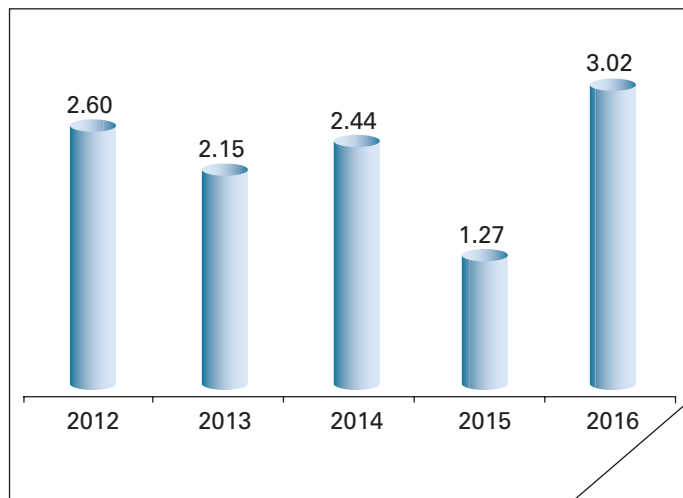
Debt Equity



ROCE



Net Debt to Operating EBITDA



Delhi's first ever super highway.



#DelhiNahiRukegi

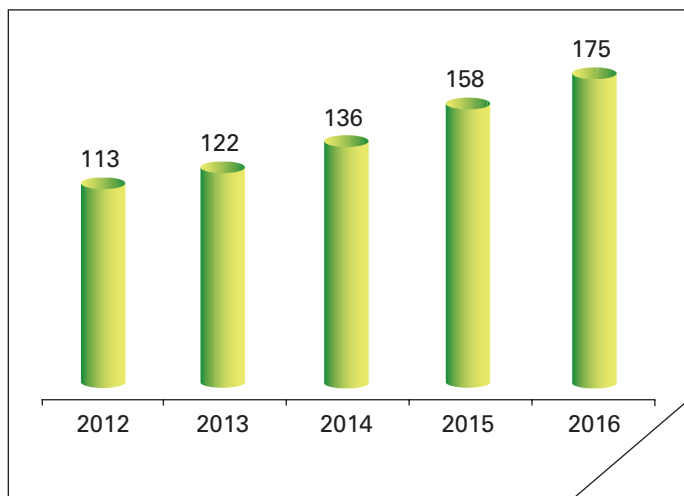


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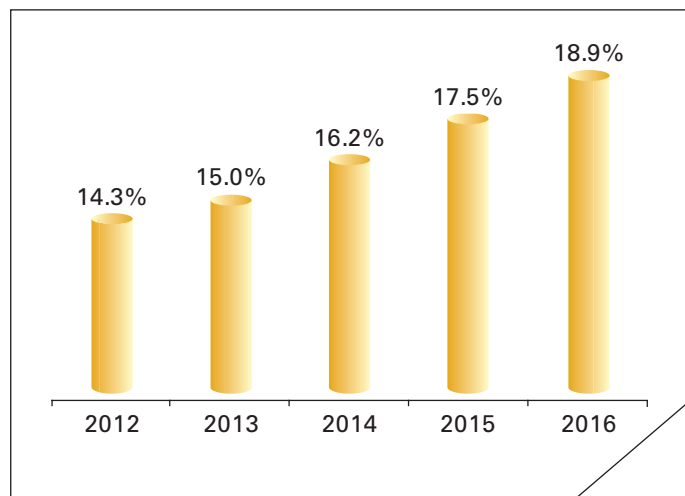
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Key Performance Indicators

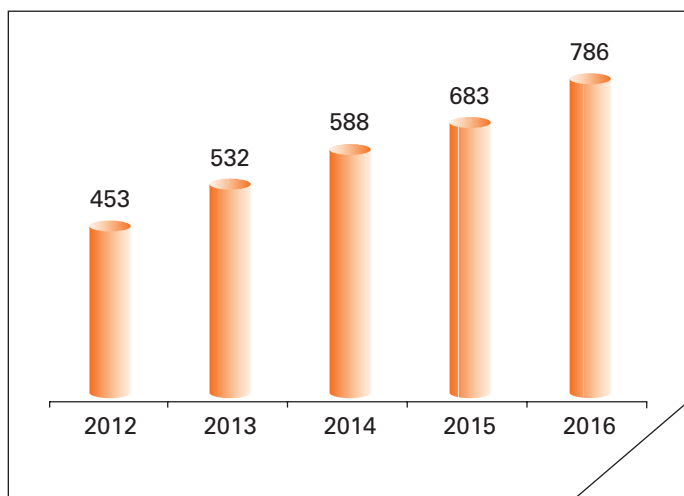
EoP Subscribers (Mn.)



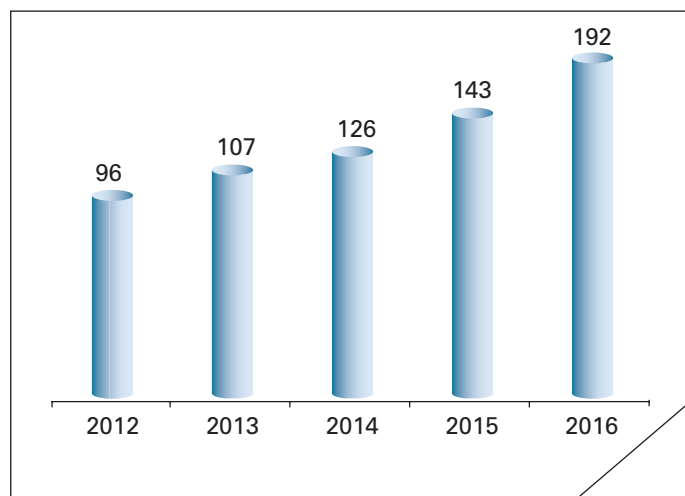
Revenue Market Share (%)



MoU (Bn.)



2G/3G/4G Cellsite Count ('000)



NETWORK FOR PEOPLE WHO LIVE ONLINE

!idea **4G** LTE

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Directors' Report

Dear Shareholders,

We have pleasure in presenting the Twenty First Annual Report, together with the audited financial statements of the Company for the Financial Year ended March 31, 2016.

Company Overview

Your Company is the third largest mobile telecommunications operator in the country, with pan India operations offering voice, data and other value added services (VAS). Your Company provides GSM-based 2G services in all 22 service areas in India. The 3G services are available in 21 service areas. The Company offers 3G services in 13 service areas pursuant to spectrum allocated to it and in remaining service areas through intra-circle roaming (ICR) arrangements with other mobile telecommunication service providers. Your Company has recently launched 4G services in 10 service areas through 1800 MHz spectrum it acquired in February, 2014 and March 2015 auctions. Your Company also provides WiFi services in select locations. Your Company also holds licenses to offer NLD, ILD and ISP services and registration for IP-1 services. While the NLD and ISP services mainly cater to the captive needs of the Company currently, the ILD and IP-1 services cater to both external and captive needs.

The Broadband spectrum profile (3G or 4G) of your Company covers 17 service areas ~87% of its revenue and ~79% of Industry revenue.

Financial Results

The financial statements of the Company have been prepared in accordance with the mandated Generally Accepted Accounting Principles (Indian GAAP). The standalone and consolidated financial highlights of your Company for the Financial Year ended March 31, 2016 are summarized below:

Particulars	₹ Mn			
	Standalone 2015-16	2014-15	Consolidated 2015-16	2014-15
Income from Services	357,854	312,521	359,353	315,269
Other Operating Income	312	274	457	440
Other Income	1,834	4,523	2,271	4,697
Total Revenue	360,000	317,318	362,081	320,406
Operating Expenses	239,923	216,061	229,510	207,593
EBITDA	120,077	101,257	132,571	112,813
Depreciation and Amortisation	61,995	48,550	66,508	53,036
EBIT	58,082	52,707	66,063	59,777
Interest and Finance charges	17,980	9,316	18,816	10,452
PBT	40,102	43,391	47,247	49,325
Taxes	13,935	15,293	16,448	17,396
Profit after Tax	26,167	28,098	30,799	31,929

Operations Review

Your Company is pleased to report another year of splendid performance outpacing the sector growth, maintaining its track record of growing faster than the sector. On a standalone basis, your Company clocked total revenues of ₹ 360,000 Mn, a growth of 13.5% over the previous year, primarily driven by solid growth in voice and data volumes. The EBITDA also increased to ₹ 120,077 Mn, representing a growth of 18.6% over the previous year. The Profit after Tax stood at ₹ 26,167 Mn, a decrease of 6.9% as compared to the previous year.

On a consolidated basis, the total revenues were ₹ 362,081 Mn, a growth of 13.0% over the previous year. The EBITDA at ₹ 132,571 Mn, reflects a growth of 17.5% as compared to the previous year. The consolidated Profit after Tax stood at ₹ 30,799 Mn, down by 3.5% compared to the previous year.

Your Company continues to improve its market position by gaining higher incremental market share both in terms of revenue as well as in terms of subscribers and positioned itself as 'One among the Top Three' operators in India.

As on March 31, 2016, the subscriber base of your Company was 175.07 Mn, representing a growth of 10.9% over last one year. The VLR subscriber base of your Company grew by 14.0% during same period and stands at 184 Mn representing market share of 19.6% as on March 31, 2016. Percentage of active subscriber base to total subscriber base for your Company stands at 105.0% which is highest in industry. During the Financial Year 2015-16, on an incremental basis your Company has added 22.5 Mn subscriber against overall industry VLR subscriber addition of 73.8 Mn, gaining incremental VLR subscriber market share of 30.5%.

As per TRAI reports, during the Financial Year 2015-16, your Company gained incremental Revenue Market Share (RMS) of 44.0% of the Indian mobile telecommunication service industry, resulting in RMS improvement of 1.4% compared to the Financial Year 2014-15, thus taking up the RMS to 18.9%. Further, your Company strengthened its leadership position in Mobile Number Portability (MNP), based on the net subscriber additions.

The overall demand for both Voice and Data remained strong during the year. Your Company carried 786 Bn voice minutes on its network during Financial Year 2015-16, a growth of 15% compared to 683 Bn minutes in previous year. The addition of 102.5 Bn voice minutes during Financial Year 2015-16, is the highest incremental voice minutes addition in last 4 years. The total data usage of 298 Bn MB registered a solid growth of 72.7%, compared to previous year.

Your Company continues to invest in the long term value creators and remains committed towards increasing its geographical coverage as well as improve the capability of network to address the growing demand of both voice and

data. During the year, your Company added 14,466 2G sites, taking the 2G site count to 126,833 as of March 31, 2016. 2G services are now available in more than 390,000 towns and villages covering around 990 Mn Indians, around 82% of Indian population. On 3G front, your Company added 19,769 sites, highest ever 3G sites addition in a year since the launch of services in FY 2011, taking the 3G site count to 50,060. 3G network of your Company now covers more than 50% of population in 13 service areas where it is providing 3G services with own spectrum. Further, your Company has recently launched 4G services in 10 circles where it owns the 4G spectrum and added 14,643 4G sites across these 10 circles in last 100 days of FY 2016. The 4G network covers more than 21% of population in these 10 circles.

Your Company is rigorously working to expand its Optical Fibre Cable (OFC) transmission network, in line with the expected growth for data. During the year your Company expanded its OFC transmission network approximately to 115,500 km compared to 93,400 km a year ago, an increase of 22,100 km.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 0.60 per Equity Share of ₹ 10/- each (6% of face value) for the year ended March 31, 2016. Based on the outstanding paid-up share capital as at the year end, the total dividend payout will amount to ₹ 2,600 Mn, inclusive of ₹ 440 Mn of dividend distribution tax. This payment is subject to your approval at the ensuing Annual General Meeting of the Company.

Transfer to Reserves

Your Company has not transferred any amount to the General Reserve for the financial year ended on March 31, 2016. However, in line with statutory requirements, your Company has transferred ₹ 141 Mn to Debenture Redemption Reserve.

Changes in Share Capital

During the year under review, your Company issued and allotted 2,664,951 Equity Shares of ₹ 10/- each, fully paid-up, to the option grantees pursuant to the exercise of stock options by eligible employees under the Employee Stock Option 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, 2016 stood at ₹ 36,005,093,780 comprising of 3,600,509,378 Equity Shares of ₹ 10/- each.

Finance

As part of debt repayment obligations and deferred payment obligations towards Department of Telecommunications, your Company repaid rupee loans of ₹ 3,200 Mn, External Commercial Borrowing of ₹ 14,698 Mn and deferred payment liability amounting to ₹ 2,582 Mn.

Additionally, during the year under review, your Company prepaid rupee loans aggregating to ₹ 80,075 Mn. In

addition to this, an amount of USD 143 Mn External Commercial Borrowing and Rupee Loans of ₹ 1,000 Mn were primarily refinanced for lowering the cost of borrowing.

Capital Expenditure

Your Company continues to expand the telecommunication infrastructure of 2G, 3G and 4G sites and Optical Fibre Cable (OFC) transmission network (own and through IRU arrangements with other companies) along with the core capacities as required.

In addition to the amount of ₹ 282,025 Mn (net of ₹ 19,350 Mn paid in March 2015) committed for spectrum in the previous year, the capital expenditure (including capital advances) incurred during the year was ₹ 79,473 Mn and ₹ 84,184 Mn at standalone and consolidated level 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.

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.

Significant Developments:

● **Launch of 4G Services**

Your Company has launched 4G services in 10 service areas recently through 1800 MHz spectrum it acquired in February, 2014 and March 2015 spectrum auctions. Your Company had won 60.2 MHz spectrum in 1800 frequency band including 4G LTE compatible contiguous blocks of 5/10 MHz in 8 service areas along with top-up GSM spectrum in 7 service areas in February 2014 auction. Further in March 2015 spectrum auction, Your Company had won 20.4 MHz spectrum in 1800 band including 4G LTE compatible contiguous blocks of 5 MHz in 2 additional service areas, 4.8 MHz non-contiguous spectrum in HP (capable of 4G LTE post spectrum harmonization), along with top-up GSM spectrum in 3 service areas. Within 100 days of launch of 4G services, your Company covered 116 million Indian population with 14,643 sites. Post launch of 4G services in 10 circles the Broadband spectrum profile (3G or 4G) of your Company covers 17 service areas, ~87% of Idea revenue and ~79% of Industry revenue.

● **Commencement of Unified License (under access authorization) for 9 service areas**

Subsequent to expiry of 1995 CMTS Licenses (in December 2015) in respect of Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Kerala, Haryana and Uttar Pradesh (West) and the 1996 UASL Licenses (April 2016) in respect of Punjab and Karnataka service areas, your Company has on July 22, 2015, signed the Authorization for Access services in these access service areas. In addition we also hold the Unified

License for 7 service areas of Tamil Nadu, Odisha, West Bengal, Kolkata, North Eastern States, Assam and Jammu & Kashmir. The Company has smoothly transited to Unified Licensing regime in all the above-mentioned 16 service areas.

- **DoT approval to change of name of erstwhile Spice NLD & ILD license(s)**

DoT has finally given its approval for the change in name of NLD and ILD license(s) belonging to erstwhile Spice Communications Limited (Spice), in the name of the Company.

Since your Company already had its own NLD license, it surrendered the erstwhile Spice NLD license, and the traffic existing on erstwhile Spice NLD License has been transferred to Idea NLD license.

- **Petition against TRAI call drop Regulation**

A joint industry petition was filed against TRAI Regulation dated October 16, 2015 that made it mandatory for telecom operators to compensate subscribers for the very first three calls dropped per day at the rate of ₹ 1 per dropped call with effect from January 1, 2016. The Hon'ble High Court of Delhi, in its Interim orders dated December 22, 2015 recorded the statement of the TRAI counsel that TRAI shall not take any coercive steps against the TSPs with regard to the impugned regulation.

Subsequently vide Judgment dated February 29, 2016, the Hon'ble High Court of Delhi upheld the TRAI Regulation and stated that the Regulation would have to be complied w.e.f. January 1, 2016.

The Industry thereafter approached Hon'ble Supreme Court, which vide its judgment dated May 11, 2016, has set aside the order of the Delhi High Court and also quashed the TRAI Regulation.

- **Launch of National MNP**

Your Company has successfully launched National Mobile Number Portability across all its service areas on July 3, 2015. With the launch of National MNP, the entire base of Idea Cellular subscribers can now retain their mobile number while changing their home circle.

- **Idea Money**

During the year under review, your Company through its wholly-owned subsidiary Idea Mobile Commerce Services Limited (IMCSL), re-launched *Idea Money* as Prepaid Payment Instrument in July 2015 and within a short time achieved 2 million wallets (Idea Money customers) mark by March, 2016.

- **Payments Bank**

Aditya Birla Nuvo Limited (ABNL), a promoter of your Company, alongwith the Company, was one amongst the 11 applicants that received an in-principle approval from the Reserve Bank of India on September 7, 2015 to set up a Payments Bank.

A new entity named Aditya Birla Idea Payments Bank Ltd. (ABIPBL) has been incorporated for this business. Post necessary regulatory approvals from RBI, the said Company is likely to commercially launch its services in first half of 2017. The said Company will acquire and service new Payments Bank customers both 'Online' leveraging the power of Idea and Aditya Birla Group's ~50 million digital customers as well as 'Offline' leveraging the strength of Idea's 2 Million+ retail distribution channels across 390,000 towns & villages. The Payments Bank intends to promote a wide range of banking products & services including current and savings bank accounts, domestic remittances, merchant payments etc. while partnering with Aditya Birla Group financial services, select universal banks & financial institutions for offering range of full banking products including Fixed Deposits, Micro Loan, Debt & Equity linked Mutual Funds, other related investment and Insurance products to its Payments Bank customers. Necessary steps have been initiated for transfer / merger of the existing PPI business under IMCSL to ABIPBL. ABIPBL will retain the customers, partners and technology used by IMCSL for running its business.

- **Demerger of Passive Infrastructure**

With a view to consolidate the business of providing tower infrastructure services into one legal entity, your board has at its meeting held on April 28, 2016 approved transfer of all towers owned and operated by the Company to Idea Cellular Infrastructure Services Limited (ICISL), wholly-owned subsidiary of the Company, which is engaged in owning and maintaining towers in Bihar and Odisha service areas. To implement this transaction a Business Transfer Agreement was executed between the Company and ICISL and as a consideration for transfer of tower infrastructure undertaking, ICISL has issued 10,000 Equity Shares to the Company for consideration other than cash. Consequently all erstwhile towers of Idea Cellular Limited (ICL) stands transferred to ICISL from August 1, 2016 and all Idea towers are now in a single legal entity.

Awards and Recognitions

Some key awards and recognitions received by your Company are:

- Silver and a Bronze for Idea's 'No Ullu Banaoing' campaign at the Asian Marketing Effectiveness Awards 2015 in Singapore
- Frost & Sullivan Asia Pacific ICT Awards 2015: Mobile Data Service Provider of the Year & Most Innovative Telecom Service Provider of the Year
- WOW awards – 'Idea Rocks India' won Gold in the category 'Entertainment Event Of The Year For A Brand/ Organization'
- 'Outstanding Company of the Year' by the jury of the 11th CNBC TV18 India Business Leader Awards. The eminent jury chaired by Mr. Uday Kotak and consisting of Mr. Dilip Shanghvi, Ms. Shikha Sharma, Mr. Sanjay

Nayar, Mr. Cyril Shroff and Mr. V.G. Siddhartha, 'unanimously chose Idea Cellular for clearly meeting and surpassing each of the criteria for evaluation'.

- Silver at the Jay Chiat award in New York, the highest award for strategic excellence in the world for our 'No Ullu Banaoing' campaign.
- 'No Ullu Banaoing' campaign Grand Prix at the Warc Prize for Asian Strategy 2015. The Prize celebrates the very best of strategic marketing in Asia.
- The Effies saw them winning a Silver in the category 'Best Ongoing Campaign' and a Bronze for IIN in the 'Best Small Town and Rural Marketing' category.
- At the Economic Times Awards this year, Idea won the ET Telecom Award for Excellence in Marketing Communications for its IIN campaign.

Brand Idea was named among the Top 3 brands in the telecom category at the Buzziest Brands of the Year poll 2015.

New 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 -

- Idea continued to capture the consumers' imagination with its innovative advertising through the year. Being India's No. 1 Mobile Number Portability player, our next campaign focused on Mobile Number Portability and highlighted the multiple product and service features that Idea offers through the catchy 'No Idea, Get Idea' proposition.
- Idea has always been the pioneer in terms of propagating the use of mobile internet. The 'Easy Share' campaign exhorted consumers to share internet and get more people into the data fold and share the advantages of being online. The campaign was truly innovative as it created a new currency for sharing.
- As part of its digital transformation process, Idea launched the 'My Idea App', a one stop shop for consumers to manage their account online. Through the My Idea App, consumers can access a range of functionalities and services like getting recharges, making bill payments, getting special offers and discounts etc. The campaign has been very successful and resulted in more than 6.2 Million downloads as of March 2016.
- The Financial Year 2015-16 was a landmark year for Idea as it launched its 4G services across 10 circles. The 4G campaign was specifically targeted at the digitally savvy consumer who is a heavy consumer of data and spends a lot of time online. The proposition was aptly 'Idea 4G. Network for people who live online'.
- Keeping in step with the increasing use of digital

channel by our customer base we have initiated availability of 'Personalized Offers' to customers through our website and Idea app. These offers are the same as those checked by the customer/ retailer through USSD/ SIVR mode currently and thus provide a 'single offer view' to customers across all channels.

- With an objective of improving engagement with Postpaid customers, your Company introduced a segmented program wherein special offers were given to postpaid subscribers basis their usage and behavior.
- Your Company has also announced partnerships with leading smartphone manufacturer Samsung besides Lenovo, Intex technologies and leading e-commerce player Snapdeal for offering propositions that bring significant value to customers.
- Your Company also came up with an innovative & consumer friendly concept of Prepaid recharge Packs for Postpaid COCP Enterprise consumers [Web based activation & payment].
- Your Company also announced another much affordable version of Easy share plan (Sharing plan) starting @ ₹ 499 which offers bouquet of services like 2 GB sharing data + Voice + SMS + Movie subscription for a month.
- Idea strengthened its brand further by sustaining its association with high impact media properties through the year by timing its mass media campaigns well, making its presence felt during some of the most popular properties on TV. The brand extended its association with IPL by signing up with Sunrisers Hyderabad for the 2015 edition.
- To increase internet penetration Idea announced its 4G netsetter (dongle) and Smart WiFi hub which are available with compelling data plans at all My Idea stores across the country.
- Idea strengthened its customer servicing by introducing two new digital mediums through which customers can access self-care – The Web Self Care module and the My Idea mobile application. The design for the web portal and the application are fresh and intuitive. Its responsiveness and user-friendliness marks customer convenience. Customers have liked the application for its easy to access information and the simple interface.

Subsidiaries, Joint Venture and Associate

As on March 31, 2016, your Company has five subsidiary companies, a joint venture and an associate Company, details whereof are as under:

Subsidiaries

- Aditya Birla Telecom Limited, holds 16% shareholding in Indus Towers Limited and is engaged in the trading of mobility devices.
- Idea Cellular Services Limited, provides manpower services to the Company.

- Idea Cellular Infrastructure Services Limited, is a tower Company owning towers in Bihar and Odisha service areas and provides passive infrastructure services in these service areas. Post transfer of towers from Idea Cellular Limited in August 2016, it now owns all Idea towers across the country.
- Idea Mobile Commerce Services Limited (IMCSL), is engaged in providing mobile banking services and operating Prepaid Payment Instruments in India. IMCSL shall in due course merge with Aditya Birla Idea Payments Bank Limited, for which it has approved a Scheme of Amalgamation.
- Idea Telesystems Limited, is engaged in the trading of mobility devices.

Joint Venture

- Indus Towers Limited, in which Aditya Birla Telecom Limited (ABTL), a wholly-owned subsidiary of the Company holds 16% stake, continues to be a joint venture with the Bharti Group and Vodafone Group and provides passive infrastructure services in 15 service areas.

Associate

- Aditya Birla Idea Payments Bank Limited (ABIPBL), has been incorporated on February 19, 2016, wherein the Company holds 49% of the equity capital and balance 51% of the equity capital is held by Aditya Birla Nuvo Limited. The said entity has received an in-principle approval from Reserve Bank of India for carrying on the business of Payments Bank.

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.

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 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, joint venture and associate 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 applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

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 Risk Management Committee, details whereof are set out in the Corporate Governance Report forming part of the Annual Report. 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 for 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 being 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.

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) and made grants to eligible employees under ESOS-2006 and ESOS-2013 from time to time.

During the year under review, in terms of ESOS-2013, the Nomination and Remuneration Committee has granted 1,048,615 Options at an exercise price of ₹ 117.55 per option and 476,851 Restricted Stock Units (RSU) at an exercise price of ₹ 10/- per RSU. Each Option is convertible into one Equity Share of the Company upon vesting and would vest in 4 equal annual installments after one year of the grant (subject to meeting performance targets) and shall be exercisable within a period of 5 years from the date of vesting. Further each RSU is convertible into one Equity Share of the Company upon vesting and all RSUs would vest at the end of 3 years from the date of grant and shall be exercisable within a period of 5 years from the date of vesting.

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.

A certificate from M/s. Deloitte Haskins & Sells LLP, Statutory Auditors, with respect to the implementation of the

Company's Employee Stock Option Scheme(s), would be placed at the ensuing Annual General Meeting for inspection by the Members and a copy will also be available for inspection at the Registered Office of the Company.

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.

Human Resources

The Human Resource philosophy and strategy of your Company is to attract and retain the best talent, be an employer of choice and create a holistic workplace environment, where employees get opportunities to realize their potential. Your Company has been recognized as being amongst the "Top 25 Best Companies to Work For" conducted by Business Today. Companies are judged on career growth prospects, rewards, work life balance, performance evaluation and stability. Our standing here is a reflection of not just our employee's view but also of the larger Indian workforce which responded.

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 overall and re-kindled its focus on diversity, by taking various steps to make Idea a more women friendly workplace. All these efforts 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. This strategy has 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/corporategovernance>.

During Financial Year 2015-16, the Company has spent ₹ 184.69 Mn towards CSR activities. Being the second year, the Company was in the process of evaluating the focus area/location of intervention for CSR activities to cater the needs of the people for larger impact on social economic facets of their lives. Employee survey was also conducted to understand the people perception and priority for intervention under CSR in each circle. Your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India socio economic transformation

A dedicated team is also in place to look after the CSR related activities.

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 had been followed, along with proper explanation relating to material departures;
- (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 state of affairs of the Company at the end of the financial year and of the profit 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 Directors had prepared the annual accounts 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; and
- (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 and Mr. Sanjeev Aga, retire from office by rotation, and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

Further, during the year under review, Mr. Gian Prakash Gupta, an Independent Director resigned from the Board of your Company with effect from January 21, 2016 on health grounds. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Gupta in the deliberations of the Board during his tenure as a Director and also as the Chairman of the Audit Committee of the Board of Directors.

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.

Mr. Himanshu Kapania was appointed as the Managing Director of the Company for a period of 5 years with effect from April 1, 2011. His current term of office as Managing Director had ended on March 31, 2016. The Board of Directors at its meeting held on July 21, 2015, on the recommendation of the Nomination & Remuneration Committee, has re-appointed Mr. Himanshu Kapania as the Managing Director of the Company with effect from April 1, 2016 for a further period of five years, which has also been approved by the members of the Company at the Annual General Meeting held on September 28, 2015.

With an aim to broad-base the Board by co-opting experienced and expert professionals, and in order to elevate/ promote the desirable candidate, the Board of Directors at its meeting held on July 8, 2016, on the recommendation of Nomination and Remuneration Committee, elevated and appointed Mr. Akshaya Moondra, Chief Financial Officer of the Company as the Whole Time Director designated as the Whole Time Director and Chief Financial Officer of the Company for a period of 5 years with effect from July 8, 2016. Necessary resolution seeking approval of the members for appointment of Mr. Akshaya Moondra as the Whole Time Director designated as the Whole Time Director and Chief Financial Officer of the Company together with the terms and conditions of his appointment, (including his revised remuneration with effect from July 8, 2016), has been incorporated in the notice of the ensuing Annual General Meeting.

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.

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.

Board Meetings

During the year, five 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 six 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

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

Audit Committee

Pursuant to cessation of Mr. Gian Prakash Gupta as Director of the Company, the Audit Committee was reconstituted during the year with Mrs. Madhabi Puri Buch being inducted as an Independent Director. Mr. Arun Thiagarajan was nominated as Chairman of the Committee, with other members being Ms. Tarjani Vakil, Mrs. Madhabi Puri Buch and Dr. Shridhir Sariputta Hansa Wijayasuriya. Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms part of this 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.

Contract and Arrangements with Related Parties

All arrangements / transactions entered by the Company during the year with related parties were in the ordinary course of business and on arm's length basis. 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.

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 & maintenance services to various telecom operators in India, including your Company. Indus is currently the world's largest passive infrastructure provider. Your Company had entered into a Master Service Agreement (MSA) with Indus in 2008 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, 2016 is provided in Form AOC-2, which is attached as '**Annexure D**' to this report.

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 Accounting Standard 18.

The policy on Related Party Transactions is uploaded on the Company's website 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. However, the details of such loans made and guarantees given are provided in the standalone financial statements at Note no. 46. Particulars of investments made by the Company are provided in the standalone financial statements at Note nos. 13 and 15.

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 is provided in exceptional cases.

The details of Vigil Mechanism is available on your Company's website 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) read with 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 about

the employees. 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 (AGM) held on September 26, 2014, appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018), as the Statutory Auditors of the Company for a period of three years, i.e. till the conclusion of 22nd AGM, subject to ratification of their appointment by members at every AGM.

The Company has received a certificate from the Statutory Auditors to the effect that ratification of their appointment, if made, shall be in compliance with the provisions Section 139 and 141 of the Companies Act, 2013. Accordingly, the Board proposes ratification of their appointment at the ensuing Annual General Meeting.

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.

Cost Auditors

In conformity with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board on the recommendation of the Audit Committee has 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, 2017, at a remuneration as specified in the notice convening the Annual General Meeting. The Cost Audit Report for the Financial Year 2015-16 has been placed before the Board at its meeting held on August 8, 2016.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders. Accordingly, the Board recommends the same for ratification by the shareholders at 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, 2016.

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.

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, 2016 is annexed herewith as '**Annexure H**' to this report.

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.
- 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.
- During the year, your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Arun Thiagarajan **Himanshu Kapania**
Director **Managing Director**

Place: Mumbai
Date : August 8, 2016

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

S. 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.	Share capital	0.50	0.50	0.50	299.00	119.25
5.	Reserves & Surplus	2.95	1,170.52	238.28	(284.33)	80,862.47
6.	Total Assets	135.80	2,561.48	231.46	133.10	3,127.60
7.	Total Liabilities	132.35	1,591.66	105.78	228.43	3.88
8.	Investments	-	201.20	113.10	110.00	77,858.00*
9.	Turnover (Total Revenue)	1,515.69	2,595.57	451.16	72.10	471.36
10.	Profit / (Loss) Before Taxation	8.30	649.49	13.02	(225.30)	464.84
11.	Provision for Taxation	2.78	222.72	3.83	-	81.11
12.	Profit / (Loss) After Taxation	5.52	426.77	9.19	(225.30)	383.73
13.	Proposed Dividend	-	-	-	-	-
14.	% of shareholding	100%	100%	100%	100%	100%

Notes:

There were no subsidiaries which are yet to commence operations.

There were no subsidiaries liquidated during the financial year 2015-16.

Includes the fair valued amount of Investment in Joint Venture at its carrying value as on March 31, 2016.

Part "B": Associates and Joint Ventures

S. No.	Particulars	Name of Associate Aditya Birla Idea Payments Bank Limited	Name of Joint Venture Indus Towers Limited
1.	Last Audited Balance Sheet Date	N.A. ^{\$}	March 31, 2016
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, 2016	245,000	190,662
	Amount of Investment in Joint Venture / Associate [#]	₹ 2.45 Mn	₹ 73,307.56 Mn
	Extent of holding%	49%	16%
3.	Description of how there is a significant influence	Based on Shareholding	-
4.	Reason why the Joint Venture is not consolidated	N.A.	N.A.
5.	Networth attributable to shareholding as per latest audited Balance Sheet [@]	N.A.	₹ 18,596.33 Mn
6.	Profit / Loss for the year		
	i. Considered in Consolidation	N.A.	₹ 4,032.84 Mn
	ii. Not Considered in Consolidation	-	-

Notes:

^{\$} Aditya Birla Idea Payments Bank Limited (the Company) was incorporated on February 19, 2016, and in terms of Companies Act, 2013, the first full financial statements of the Company will be prepared for the period ending March 31, 2017. The Company is yet to commence operations.

There were no associates or joint ventures liquidated during the financial year 2015-16.

[#] 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.

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 is accessible on the Company's website: http://www.ideacellular.com/corporate-governance .			
2	The composition of the 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 Profit of the Company for last three financial years			₹ 27,443.34 Mn			
4	Prescribed CSR Expenditure (two percent of the amount as mentioned in Item 3 above)			₹ 548.87 Mn			
5	Details of CSR Spent during the financial year - Total Amount to be spent for the financial year - Amount unspent, if any - Manner in which the amount spent during the financial year			₹ 548.87 Mn ₹ 364.18 Mn Details given below:			
(1) Sr. No.	(2) CSR Projects/ Activity Identified	(3) Sector in which the project is covered	(4) Projects/ Programs: 1) Local Area/ others 2) Specify the State/District where the Project was Undertaken	(5) Amount Outlay (budget) Project/Program wise (₹ Mn)	(6) Amount spent on the Project/Programs Subheads: (1) Direct expenditure on project/programs (2) Overheads (₹ Mn)	(7) Cumulative expenditure up to to the reporting period (₹ Mn)	(8) Amount spent: Direct / through implementation agency
1.	Solar Urja Lamp for School Children to enhance learning Providing support to assemble and distribute 3.25 lakhs lamps in 25 rural blocks across 4 states. The key activities include facilitating education through providing solar lamps to school children, capacity building of rural youth on solar technology, creating awareness on the importance of learning and capacity building through this project.	Education	i) Madhya Pradesh (Mandla, Shahdol, Betul) ii) Rajasthan (Banswara, Pratapgarh, Dungarpur) iii) Maharashtra (Nasik) iv) Odisha (Nabarangpur, Koraput)	76.00	72.26	72.26	IIT, Bombay

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/ Activity Identified	Sector in which the project is covered	Projects/ Programs: 1) Local Area/ others 2) Specify the State/District where the Project was Undertaken	Amount Outlay (budget) Project/ Program wise (₹ Mn)	Amount spent on the Project/ Programs Subheads: (1) Direct expenditure on project/ programs (2) Overheads (₹ Mn)	Cumulative expenditure up to to the reporting period (₹ Mn)	Amount spent: Direct / through implementation agency
2.	Mid-Day Meal Programme for School Children Motivating parents to send children to school and bring down the dropout rate. The project reaches out to 46,666 children in 9 locations spanning five states. The key activity includes providing a nutritional midday meal to school going children. Alongside, we also create awareness among parents and children regarding nutritional food and sensitize school teachers and the administration as well.	Education	i) Gujarat (Ahmedabad, Vadodara, Surat) ii) Odisha (Cuttack, Bhubaneswar, Puri) iii) Rajasthan (Jaipur) iv) Uttar Pradesh (Lucknow) v) Karnataka (Bengaluru, Mysore)	35.00	35.00	35.00	Akshaya Patra Foundation
3.	English Language Education for disadvantaged children: Angrezi Seekho In 7 locations over 4 states, we provide english language learning to more than 2,800 children. Key activities include developing learning content, providing mobile phones, training the instructors and forming children's groups for english learning etc.	Education	i) Delhi ii) Uttar Pradesh (Lucknow) iii) Rajasthan (Pilani) iv) Maharashtra (Mumbai, Pune, Talasari, Vikramgad)	3.90	3.90	3.90	Pratham Education Foundation
4.	Rebuilding School Infrastructure for Flood affected Chennai Schools Restoring 19 flood affected schools in Chennai, through rebuilding and supporting the school infrastructure as well as providing books and computers to the affected schools	Education	Tamil Nadu (Chennai)	5.22	1.58	1.58	Direct
5.	Non-recurrence of Polio in India This pan India Project, aims at ensuring the non-recurrence of polio in India. Its major activities include organizing polio immunization camps and rallies and creating awareness among people for polio vaccination and the need to have children from 0-5 years vaccinated on time.	Health	All States	62.00	62.00	62.00	Rotary International India National Pulse Polio Society (RIINPPS)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/ Activity Identified	Sector in which the project is covered	Projects/ Programs: 1) Local Area/ others 2) Specify the State/District where the Project was Undertaken	Amount Outlay (budget) Project/Program wise (₹ Mn)	Amount spent on the Project/Programs Subheads: (1) Direct expenditure on project/programs (2) Overheads (₹ Mn)	Cumulative expenditure up to to the reporting period (₹ Mn)	Amount spent: Direct / through implementation agency
6.	Construction of Household Toilets in Jammu & Kashmir region Supporting the construction of 2010 household toilets and sensitizing the community on the use of toilets in Jammu and Kashmir region	Sanitation	i) Jammu & Kashmir	24.00	9.60	9.60	Rural Development Department, Govt. of Jammu & Kashmir
	Swachh Bharat Cess				0.35	0.35	
	TOTAL			206.12	184.69	184.69	

Note:

Apart from above, Company has also contributed ₹ 100 Mn towards project M-POWER and ₹ 10 Mn to 'Make a Wish' Foundation for philanthropic purposes. This amount does not qualify as CSR expenditure in terms of section 135 of the Companies Act, 2013 and hence the same is not included in the table above.

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

During FY 2015-16, the Company spent ₹ 184.69 Mn towards various CSR activities as mentioned above. Being the second year, the Company was in the process of evaluating the focus areas and the location(s) of intervention for CSR activities to cater the needs of the people for larger impact on social economic facets of their lives. 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 and is committed to CSR engagement. As a socially responsible Company, we are committed to play larger role in India's sustainable development.

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.

Place: Mumbai
Date: April 28, 2016

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.

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 broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based 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

(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 FY 2015-16, towards availment of services from Indus is ₹ 35,830 Mn.
(e) Date(s) of approval by the Board, if any; and Audit Committee	Audit Committee : April 28, 2016 Board Meeting : April 28, 2016
(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

The wireless telecom industry in India is growing exponentially in terms of coverage, subscriber base and broadband connectivity. 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 deployed 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:

- Reduce Carbon Emissions at the existing & new Telecom Sites of Idea
- Adopt better battery hybrid solutions to reduce consumption
- 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:

- Presently, over 19% of Idea Owned telecom towers are operational with hybrid solutions for energy reduction.
- Over 40% of Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)
- In Financial Year 2016, 5,007 indoor sites were converted to outdoor sites in addition to 5,482 sites in

Financial Year 2015, reducing cumulative carbon emissions by 62,000 tons.

- The tenancy ratio of Idea is about 2.72, which is highest in the country that further reduces the size of its carbon footprint.
- 100% of the telecom hardware procurement in Financial Year 2016 comprise of low power consuming telecom hardware.
- Energy optimization based on the usage of deep discharge battery solutions such as lithium ion batteries and flow batteries are being evaluated and inducted for site operations

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 1.82 (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
- Usage of Blanking panel in empty 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.
- 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.
- 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 8:30AM to 6:00PM. 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.
- Lighting in office area 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.

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 your 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 chillier 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 LED/ Electronic ballasts for improved efficiency and reduction in energy consumption and emissions.
 - Usage of logic controlling for emergency lights. Automatically is set on during power failure.
 - VRV based Air conditioning is being used in office area wherever centralized systems need augmentation.
 - 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 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, to utilize alternate sources of energy:

- **Exclusive Solar solutions at over 1,200 sites:** Cumulative solar deployment is presently about 4.5 MW. Idea uses a unique vendor engagement model known as Energy Management Service (EMS) Provisioning where RET-based generation (Solar Energy) and site operation management is combined under one Master Services Agreement.

- **On-Site Solar implementation:** This project was initiated last year and a 25 KW Solar Plant was constructed on the roof of Idea Delhi MSC. Similar plants will be deployed where roof space is available in MSC locations. This will reduce the power being drawn from the grid or the load on the DG reducing the Diesel consumption.
- **Off-Site Solar Deployment:** This concept was also initiated last year based on the Carbon abatement principle. 2 MW Solar PPA signed in AP with 3.46 Mn Solar Units generated neutralizing CO₂ emission of 3,200 Tonnes. There are plans underway in five other Circles to deploy a similar model where power from will be generated from a solar at a remote place and fed to grid. The credit generated from the solar plant will be used to offset the cost of energy elsewhere.
- **Trial of new energy solutions:** Idea, in association with the United States Trade Development Agency (USTDA), is conducting trials of Solar Hybrid Methanol based Fuel Cell systems to power telecom towers. Five such sites are commissioned and operating, today. This is part of an effort to identify viable substitutes to fossil fuel for telecom site operations. The Company is also looking to increase the use of hydrogen fuel cells at its sites.

Some of the tangible outcome of above activities/initiatives include:

- **Reduction in Carbon emission:** CO₂ emission reduction of about 35,000 Tons per annum by end of FY16 has been achieved through Power Purchase Agreements and indoor to outdoor conversions.
- **Contributing to Greener Economy:** The DG running has been reduced by 4 hrs/ BTS, on an average, saving approximately 2 Million Litres of diesel in FY16. Reduction in diesel consumption is contributing not only to greener economy but also to the national economy by reducing the use of subsidized diesel.
- **Contribution to Industry:** USTDA Sponsored Methanol Fuel Sites are first of this kind in Indian Industry, this trial will help to evaluate the technical, commercial and operational feasibility of Site
Going forward, this year Idea continues to expand the deployment of energy efficiency solutions following heads:
 - Off Site Solar Deployment: 2MW Solar PPA is at the closure stage in MP. Similar opportunities are under evaluation in 4 other Circles.
- PPA with Renewable Energy Sources other than Solar, like Wind power procurement. About 1.5 MW Wind power PPA is in final stages in Tamil Nadu Circle

(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, 2016.

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 2G coverage, 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 : ₹ 7,484.50 Mn
- (b) Total Foreign Exchange Outgo : ₹ 36,915.92 Mn

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration for FY 2015-16 (₹ in Mn)	% increase in Remuneration ^s in the FY 2015-16	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Kumar Mangalam Birla <i>Chairman & Non-Executive Director</i>	131.57	(1.5)	184.0
2	Mrs. Rajashree Birla <i>Non-Executive Director</i>	3.44	130.7	4.8
3	Mr. Sanjeev Aga <i>Non-Executive Director</i>	1.67	(2.4)	2.3
4	Dr. Shridhir Sariputta Hansa Wijayasuriya <i>Non-Executive Director</i>	1.36	(13.8)	1.9
5	Mr. Arun Thiagarajan <i>Independent Director</i>	3.43	27.1	4.8
6	Ms. Tarjani Vakil <i>Independent Director</i>	3.28	8.9	4.6
7	Mr. P. Murari <i>Independent Director</i>	1.42	60.1	2.0
8	Mr. R.C. Bhargava <i>Independent Director</i>	1.24	(20.5)	1.7
9	Mrs. Madhabi Puri Buch <i>Independent Director</i>	1.98	78.2	2.7
10	Mr. Mohan Gyani <i>Independent Director</i>	0.62	(30.4)	0.9
11	Mr. Himanshu Kapania* <i>Managing Director</i>	89.33 [#]	10.0 [^]	124.9
12	Mr. Akshaya Moondra* <i>Chief Financial Officer</i>	22.35	11.8 [^]	31.3
13	Mr. Pankaj Kapdeo* <i>Company Secretary</i>	7.46 [@]	9.1 [^]	10.4

Notes:

- (a) Remuneration to Non-Executive Director is based on commission payable to the Non- Executive Directors for the year ended March 31, 2016, which is subject to the approval of the members of the Company. Sitting fees paid to Directors is excluded.
- (b) The remuneration of Employees and Key Managerial Personnel (KMPs) does not include perquisite value of stock options exercised during the year 2015-16.
- \$ Based on Annualised Remuneration
- * The remuneration includes variable pay for the financial year 2014-15, which was paid in the financial year 2015-16.
- [^] 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 FY 2014-15 has also been considered at 100% performance level.
- [#] The remuneration of Mr. Himanshu Kapania excludes perquisite value of stock options of ₹ 1.32 Mn exercised during the current financial year.
- [@] The remuneration of Mr. Pankaj Kapdeo excludes perquisite value of stock options of ₹ 0.66 Mn exercised during the current financial year.

(ii) The percentage increase in the median remuneration of the employees of the Company for the financial year 2015-16

The median remuneration of the employees in the financial year 2015-16 was increased by 10%, as compared to the financial year 2014-15.

The Median Remuneration of Employees of the Company during the financial year 2015-16 was ₹ 7.15 Lacs.

(iii) The number of permanent employees on the rolls of the Company

There were 12,491 permanent employees on the rolls of Company as on March 31, 2016.

(iv) The explanation on the relationship between average increase in remuneration and company performance:-

The revenue growth of the Company for the financial year 2015-16 was 13.5%, as compared to the financial year 2014-15 and the EBITDA growth was 18.6%.

The average increase in the median remuneration of employees for the financial year 2015-16 is 10%. The average increase in median remuneration is in line with industry benchmark and performance of the Company.

(v) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 10.2%. The revenue growth of the Company for the financial year 2015-16 was 13.5%, as compared to the financial year 2014-15 and the EBITDA growth was 18.6%.

(vi) (a) Variations in the market capitalisation of the Company:

The market capitalisation of the Company as on March 31, 2016 was approx. ₹ 39,677 crores as compared to approx. ₹ 66,200 crores as on March 31, 2015, representing a decline of increase of 40.1%.

(b) Price Earnings ratio:

The price earnings ratio of the Company was 15.2 as at March 31, 2016 as compared to 23.2 as at March 31, 2015.

(c) Percent increase over/decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer:

The closing price of the Company's equity shares on NSE and BSE as of March 31, 2016 was ₹ 110.20 and ₹ 109.75 respectively, representing an increase of over 47% over IPO price (NSE).

(vii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 with the percentage increase in the managerial remuneration:

The average increase in the remuneration of employees other than managerial personnel during FY 2015-16 was 9.5% and the average increase in the remuneration of key managerial personnel was 10.2%.

(viii) The key parameters for the variable component of remuneration availed by the directors:

Based on the recommendations of the Nomination and Remuneration Committee and as per the Remuneration Philosophy / Policy of the Company.

(ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None of the employees has remuneration more than the highest paid directors.

(x) 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, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, 2016 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 31st March, 2016 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, 1992/ The Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 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.

The Company has not appointed Small shareholders' director as given under section 151 of the Companies Act, 2013 read with Rule 7 of the Companies (Appointment and Qualification of Directors) Rules 2014, since the same is not mandatory.

CSR Expenditure during the year was spent 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 one 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 Company has not undertaken event/ action having a major bearing in the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad
Date : April 27, 2016

Umesh Ved
Umesh Ved & Associates
Company Secretaries
Membership No.: 4411
C.P. No.: 2924

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.

Place: Ahmedabad
Date : April 27, 2016

Umesh Ved
Umesh Ved & Associates
Company Secretaries
Membership No.: 4411
C.P. No.: 2924

Annexure 'H' to the Directors' Report

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2016

[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 - 382 011 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 E -2 & 3, Ansa Industrial Estate Saki-Vihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 Tel: +91-22-2847 0652 / 4043 0200 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	99.49%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address	CIN /Registration No.	Holding/ Subsidiary/ Associate Company/ Joint Venture	% 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 Mobile Commerce Services Limited	7th Floor, Konnectus Building, Bhavbhuti Marg, Near Minto Bridge, Connaught Place, New Delhi- 110001	U32204DL2007PLC169599	Subsidiary	100%	2(87)
4	Idea Telesystems Limited	A-26/5, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi- 110044	U74899DL1983PLC016517	Subsidiary	100%	2(87)
5	Aditya Birla Telecom Limited	Aditya Birla Centre, A Wing, S.K. Ahire Marg, Worli, Mumbai- 400 030	U64202MH2005PLC158190	Subsidiary (Equity Holding)	100%	2(87)
6	Aditya Birla Idea Payments Bank Limited (w.e.f. 19.02.2016)	A4, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai- 400 030	U65923MH2016PLC273308	Associate	49%	2(6)
7	Indus Towers Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U92100DL2007PLC170574	Joint Venture	16%	2(6)

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

i) Category-wise Shareholding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1 Indian									
(a) Individual/HUF	233,333	–	233,333	0.01	233,333	–	233,333	0.01	0.00
(b) Central Government	–	–	–	–	–	–	–	–	–
(c) State Government	–	–	–	–	–	–	–	–	–
(d) Bodies Corporate	1,520,445,714	–	1,520,445,714	42.26	1,520,445,714	–	1,520,445,714	42.23	(0.03)
(e) Banks / FI	–	–	–	–	–	–	–	–	–
(f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	1,520,679,047	–	1,520,679,047	42.27	1,520,679,047	–	1,520,679,047	42.24	(0.03)
2 Foreign									
(a) NRIs- Individuals	–	–	–	–	–	–	–	–	–
(b) Other-Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies corporate	–	–	–	–	–	–	–	–	–
(d) Banks/FI	–	–	–	–	–	–	–	–	–
(e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2)	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	1,520,679,047	–	1,520,679,047	42.27	1,520,679,047	–	1,520,679,047	42.24	(0.03)
B. Public Shareholding									
1 Institutions									
(a) Mutual Funds	72,745,373	–	72,745,373	2.02	56,995,828	–	56,995,828	1.58	(0.44)
(b) Banks/FI	22,111,703	–	22,111,703	0.61	4,518,072	–	4,518,072	0.13	(0.48)
(c) Central Government	–	–	–	–	–	–	–	–	–
(d) State Government	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	3,350,000	–	3,350,000	0.09	3,350,000	–	3,350,000	0.09	0.00
(f) Insurance Companies	68,631,201	–	68,631,201	1.91	120,745,671	–	120,745,671	3.35	1.44
(g) FIs	884,976,482	–	884,976,482	24.60	871,165,995	–	871,165,995	24.20	(0.40)
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	1,051,814,759	–	1,051,814,759	29.23	1,056,775,566	–	1,056,775,566	29.35	0.12
2 Non-Institutions									
(a) Bodies Corporate									
i) Indian	13,674,507	–	13,674,507	0.38	4,836,543	–	4,836,543	0.13	(0.25)
ii) Overseas	–	–	–	–	–	–	–	–	–
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	39,725,498	7,012	39,732,510	1.10	45,754,800	3,959	45,758,759	1.27	0.17
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,554,956	–	7,554,956	0.21	9,077,472	–	9,077,472	0.25	0.04

i) Category-wise Shareholding (Continued)

Category of shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
c) Others									
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Foreign Companies	957,000,543	-	957,000,543	26.60	957,000,543	-	957,000,543	26.58	(0.02)
Non-resident Indians	1,583,900	5,000	1,588,900	0.04	2,176,897	5,000	2,181,897	0.06	0.02
Trust	230,877	-	230,877	0.01	978,856	-	978,856	0.03	0.02
Clearing Members	5,568,328	-	5,568,328	0.16	3,220,695	-	3,220,695	0.09	(0.07)
Sub-total (B)(2)	1,025,338,609	12,012	1,025,350,621	28.50	1,023,045,806	8,959	1,023,054,765	28.41	(0.09)
Total Public Shareholding (B)= (B)(1)+(B)(2)	2,077,153,368	12,012	2,077,165,380	57.73	2,079,821,372	8,959	2,079,830,331	57.76	0.03
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,597,832,415	12,012	3,597,844,427	100.00	3,600,500,419	8,959	3,600,509,378	100.00	

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 during Shareholding during the year ^(#)
		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	837,526,221	23.28	-	837,526,221	23.26	-	(0.02)
2	Birla TMT Holdings Pvt. Ltd.	283,565,373	7.88	-	283,565,373	7.88	-	0.00
3	Hindalco Industries Limited	228,340,226	6.35	-	228,340,226	6.34	-	(0.01)
4	Grasim Industries Limited	171,013,894	4.75	-	171,013,894	4.75	-	0.00
5	Mr. Kumar Mangalam Birla	233,333	0.01	-	233,333	0.01	-	0.00
Total		1,520,679,047	42.27	-	1,520,679,047	42.24	-	(0.03)

Note: # There is no change in the actual number of shares held by the promoters. The decrease in percentage of total promoter shareholding from 42.27% to 42.24% is due to ESOS allotment of 2,664,951 Equity Shares.

iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,520,679,047	42.27	1,520,679,047	42.27
Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease	There is no change in the actual number of shares held by the promoters. The decrease in percentage of total promoter shareholding from 42.27% to 42.24% is due to allotment of 2,664,951 Equity Shares under ESOS Scheme(s).			
At the end of the year	1,520,679,047	42.24	1,520,679,047	42.24

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	464,734,670	12.92	-	-	464,734,670	12.91
2	Axiata Investments 2 (India) Limited	247,265,873	6.87	-	-	247,265,873	6.87
3	P5 Asia Investments (Mauritius) Ltd	245,000,000	6.81	-	-	245,000,000	6.80
4	National Westminster Bank Plc As Depository Of First State Asia Pacific Leaders Fund A Sub Fund Of First State Investments Icv	54,412,105	1.51	63,608,188	5,504,924	112,515,369	3.13
5	Europacific Growth Fund	62,667,011	1.74	16,070,000	-	78,737,011	2.19
6	ICICI Prudential Life Insurance Company Ltd	52,153,089	1.45	22,068,403	4,875,556	69,345,936	1.93
7	Vanguard International Growth Fund	60,645,242	1.69	1,014,858	8,260,228	53,399,872	1.48
8	Parvest Equity India	29,200,000	0.81	24,201,000	1,901,000	51,500,000	1.43
9	National Westminster Bank Plc As Depository Of First State Global Emerging Markets Leaders Fund A Sub Fund Of First State Investments 1	44,172,040	1.23	5,367,186	8,444,469	41,094,757	1.14
10	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Fund @	26,233,803	0.73	188,004	4,241,648	22,180,159	0.62
11	International Finance Corporation \$	23,240,873	0.65	-	-	23,240,873	0.65

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 2015-16 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.
- @ Not there in the list of top ten shareholders as on March 31, 2016. Same has been reflected above as the respective shareholder was one of the top ten shareholder as on April 1, 2015.
- \$ Not there in the list of top ten shareholders as on April 1, 2015. Same has been reflected above as the respective shareholder was one of the top ten shareholder as on March 31, 2016.

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
A Directors								
1	Mr. Kumar Mangalam Birla	233,333	0.01	April 1, 2015 March 31, 2016			233,333	0.00
2	Mr. Arun Thiagarajan	7,700	0.00	April 1, 2015 March 31, 2016			7,700	0.00
3	Mr. Gian Prakash Gupta (Ceased to be Director w.e.f. 21.01.2016)	4,192	0.00	April 1, 2015 March 31, 2016			4,192	0.00
4	Ms. Tarjani Vakil	147	0.00	April 1, 2015 March 31, 2016			147	0.00
5	Mr. Sanjeev Aga	235,000	0.01	April 1, 2015 March 31, 2016			235,000	0.01
6	Mr. Himanshu Kapania	284,375	0.01	April 1, 2015 May 27, 2015	10,000	Shares allotted under ESOP	294,375	0.01
				September 29, 2015	5,000	Shares allotted under ESOP	299,375	0.01
				November 24, 2015	55,000	Shares allotted under ESOP	354,375	0.01
				December 23, 2015	10,000	Shares allotted under ESOP	364,375	0.01
				March 31, 2016			364,375	0.01
B. Key Managerial Personnel								
1	Mr. Akshaya Moondra	130,500	0.00	April 1, 2015 March 31, 2016			130,500	0.00
2	Mr.Pankaj Kapdeo	29,390	0.00	April 1, 2015 June 25, 2015	5,187	Shares allotted under ESOP	34,577	0.00
				March 31, 2016			34,577	0.00

Notes:

- 1 Apart from above mentioned Directors, no other directors hold any shares in the Company
- 2 Shares held singly or as first holder 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
Indebtedness at the beginning of the financial year				
i) Principal Amount	149,898	108,856	-	258,754
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	504	1,375	-	1,879
Total (i+ii+iii)	150,402	110,231	-	260,633
Change in Indebtedness during the financial year				
• Addition	2,355	308,950	-	311,305
• Reduction	98,067	41,844	-	139,911
Net Change	(95,712)	267,106	-	171,394
Indebtedness at the end of the financial year				
i) Principal Amount	54,280	354,249	-	408,529
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	410	23,088	-	23,498
Total (i+ii+iii)	54,690	377,337	-	432,027

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)	
1	Gross Salary		
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	84.21	
	b. Value of perquisites u/s 17(2) of Income Tax Act, 1961 ⁽¹⁾	3.11	
	c. Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	
2	Stock Options ⁽¹⁾	1.32	
3	Sweat Equity	-	
4	Commission	-	
	- as % of profit	-	
	- other, specify	-	
5	Others (Retiral Benefits)	2.01	
Total (A)			90.65
Ceiling as per the Act (Being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			₹ 4,010.24 Mn

Notes:

(1) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 does not include perquisite value of ₹ 1.32 Mn, towards stock options exercised by Mr. Himanshu Kapania during FY 2015-16. The same has been shown separately in point no. 2.

B. Remuneration to Non-Executive Directors including Independent Directors:

₹ Mn

Name of Director	Fee for attending Board/committee meetings	Commission ¹	Total Amount
Independent Directors			
Mr. Arun Thiagarajan	0.50	3.43	3.93
Mr. Gian Prakash Gupta ²	0.24	-	0.24
Mr. Mohan Gyani	0.10	0.62	0.72
Ms. Tarjani Vakil	0.49	3.28	3.77
Mr. R.C. Bhargava	0.20	1.24	1.44
Mr. P. Murari	0.24	1.42	1.66
Mrs. Madhabi Puri Buch	0.30	1.98	2.28
Total (B1)	2.07	11.97	14.04
Non-Executive Directors			
Mr. Kumar Mangalam Birla (Chairman)	0.31	131.57	131.88
Mrs. Rajashree Birla	0.26	3.43	3.69
Mr. Sanjeev Aga	0.30	1.67	1.97
Dr. Shridhir Sariputta Hansa Wijayasuriya	0.20	1.36	1.56
Total (B2)	1.07	138.03	139.10
Total (B) = (B1) + (B2)	3.14	150.00	153.14
Ceiling as per the Act (Being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		₹ 401.02 Mn	
Total Managerial Remuneration (A+B)		₹ 243.79 Mn	
Total ceiling as per the act (Being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		₹ 4,411.27 Mn	

Notes:

- Commission for the Financial Year ended 31st March, 2016 will be paid after adoption of accounts by the shareholders at the Annual General Meeting to be held on 29.09.2016.
- Mr. Gian Prakash Gupta ceased to be director of the Company with effect from 21.01.2016.

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Directors / Manager:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		₹ Mn
		Mr. Akshaya Moondra Chief Financial Officer	Mr. Pankaj Kapdeo Company Secretary	Total Amount
1	Gross Salary			
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21.08	7.04	28.12
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961 ⁽¹⁾	0.80	0.05	0.85
c.	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Options ⁽¹⁾	-	0.66	0.66
3	Sweat Equity	-	-	-
4	Commission	-	-	-
-	as % of profit	-	-	-
-	other, specify	-	-	-
5	Others (Retiral Benefits)	0.46	0.37	0.83
Total		22.34	8.12	30.46

Note:

(1) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 does not include perquisite value of ₹ 0.66 Mn, towards stock options exercised by Mr. Pankaj Kapdeo during FY 2015-16. 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.

Management Discussion And Analysis Report

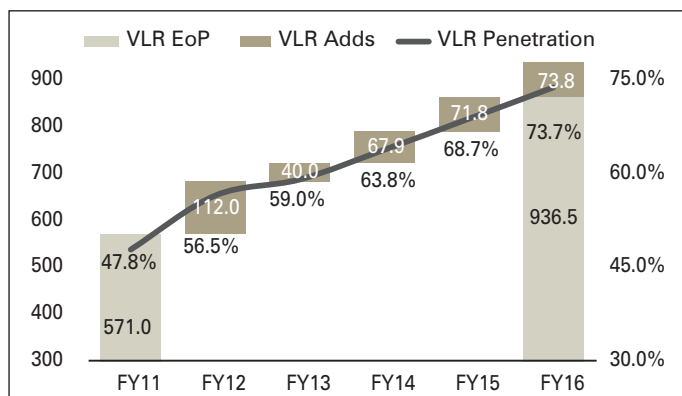
Indian Wireless Sector

The Indian wireless sector is one of the key pillars to bridge the gap between 'India and Bharat', fulfil the Government vision of 'Digital India', and to transform the 'Analog' life of 1.2 billion Indians into 'Digital'. This transformation will not only impact the wireless industry but also expected to have significant impact on the overall economy by influencing the way in which various businesses are being conducted in present era. This transformation require massive human efforts, large capital commitments and support from the government in terms of availability of spectrum and clear set of policies.

The sector is going through a phase where a large capex commitment is required to expand the Broadband Network coverage, and mass adoption of data services is expected to happen in near future. These trends are similar to the trends seen before the voice demand picked up. The large incumbent mobile operators are playing their role. After committing huge payout for spectrum, incumbent operators are committing large capex to aggressively expand the broadband network coverage across the length and breadth of the country to ensure a larger part of the population can experience the advantage of high speed internet. On the regulatory side, the government has cleared much awaited policies on Spectrum Trading, Spectrum Sharing and Active Infrastructure sharing. These policy decisions allow marginal operators to monetize their under-utilized spectrum and pave a way for efficient use of spectrum by the industry. However, unreasonable spectrum price and regulatory changes like 'Capping of Roaming Charges', 'Reduction in IUC' etc adversely impacts the industry. Further, issues related to 'Net Neutrality', 'Change in spectrum usage charges', 'Quality of Service' etc. creates a regulatory overhang.

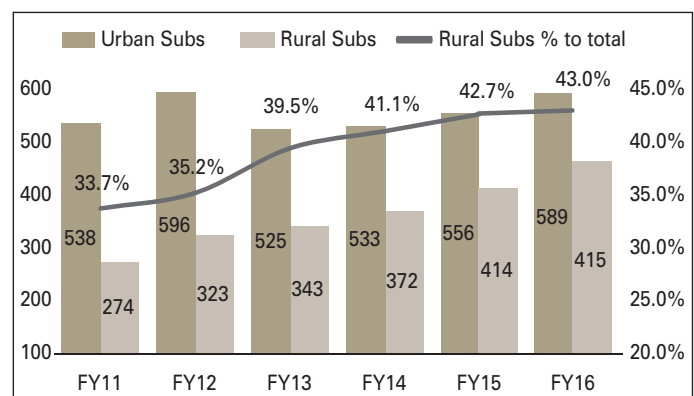
On subscriber front, India, the second largest wireless market across globe, continued its leadership position, in terms of new subscriber additions, for the second consecutive year. The Indian wireless Industry added 63.7 Mn subscriber during Financial Year 2015-16, surpassing the net subscriber addition in world's largest wireless market of China.

The total reported subscriber base crossed 1 Bn milestone during 2015-16 and stood at 1.03 Bn as of March 2016. The VLR subscriber addition during Financial Year 2015-16 stands at 73.8 Mn, taking the VLR subscriber base to 936.5 Mn as of March, 2016.



Subscriber penetration is still at around 73.7% based on VLR subscriber base, against penetration of around 81.4% based on reported subscribers, far below global average, indicating new subscriber growth will continue for few more years.

Over a period of last five years (from FY 2011 to FY 2016), the Urban subscriber base has increased from 538 Mn in FY 2011 to 589 Mn, an addition of 51 Mn urban subscribers. However, during the same period the rural subscriber base has expanded exponentially, from 274 Mn to 445 Mn, capturing 77% of the incremental subscribers added by the Industry. In spite of that rapid expansion in rural subscriber base, the rural penetration is still at abysmally low level of 50.9% indicating the strong subscriber growth potential from the rural market, strong hold of Idea Cellular. On an overall basis for Idea 55.6% of the company EoP subscriber base of 175 Mn is from rural and deep hinter land markets, highest % across all industry operators as per TRAI release.



Low rural penetration augurs well for the subscriber growth in future.

The Indian wireless broadband industry (>512 kbps) subscriber base has increased to 132.8 Mn as of March, 2016, an addition of 49.1 Mn subscribers in one year; reflecting a solid growth of 58.7%, key to future revenue growth of the industry. The wireless broadband subscriber penetration (of reported Industry overall subscribers) improved from 8.6% as of March, 2015 to 12.8% as of March, 2016, at among the lowest wireless broadband penetration in the world. With massive rollout of high speed broadband services on 3G and 4G, falling entry prices for smartphone, affordable mobile data rates and range of Digital Applications, Content and Services, India is on the cusp of a major wireless broadband adoption cycle across demography of population.

The wireless internet penetration still remain low at 30.9% even post addition of 63 Mn internet subscribers between December 2014 to December 2015 (TRAI performance indicator report).

Given a very low fixed line penetration of 2.0% in India, internet adoption through wireless remains the only option for the subscriber to experience the world of internet.

Discussion on Idea's Operational Performance and Consolidated Financial statements

Mobile Business

Your Company provides GSM-based mobile telecommunications services in all 22 Service Areas of India, high speed wireless broadband services on 3G platform in 21 Service Areas and has recently launched latest wireless broadband on 4G technology in 10 Service Areas on 1800 MHz spectrum acquired in February, 2014 and March, 2015 spectrum auction (11th Service Area - Himachal Pradesh 4G services will be launched shortly after DoT approval as 1800 MHz spectrum has recently been harmonised). Your Company offers own 3G services in 13 Service Areas pursuant to spectrum allocated to it and provides 3G services in remaining Service Areas through intra-circle roaming arrangements with other mobile telecommunications service providers.

Based on the Revenue Market Share (RMS) of your Company as per TRAI reported revenue, your Company is among the top three operators in 14 service areas, out of 22 service areas. Your Company has identified 15 service areas as 'Established Service Areas' and 7 service areas as 'New Service Areas' based on year of operations. Your Company continues to consistently improve its revenue and subscriber share position in these established 15 service areas to consolidate its strong position thereby improving its profitability. Over the last 3 years between 'January to March 2013' to 'January to March 2016', your Company has improved its revenue market share from 18.7% (Q4FY13) to 22.4% (Q4FY16) an enviable increase of 3.7% RMS.

Service Areas	15 Service Areas				
	RMS Q4FY13	RMS Q4FY16	Change in RMS	Spectrum Profile	RMS Rank
Kerala	34.9%	41.9%	7.0%	2G/3G/4G	1
M.P.	34.8%	41.8%	7.0%	2G/3G/4G	1
Maharashtra	27.8%	33.1%	5.3%	2G/3G/4G	1
UP (West)	28.4%	31.7%	3.4%	2G/3G	1
Punjab	21.3%	29.3%	7.9%	2G/3G/4G	1
Haryana	24.6%	27.1%	2.5%	2G/3G/4G	2
A.P.	19.8%	24.7%	4.9%	2G/3G/4G	2
Gujarat	19.4%	22.6%	3.3%	2G/3G	2
Bihar	10.6%	14.8%	4.2%	2G	2
H.P.	9.8%	13.3%	3.5%	2G/3G	2
Rajasthan	11.8%	14.5%	2.6%	2G	3

Service Areas	15 Service Areas				
	RMS Q4FY13	RMS Q4FY16	Change in RMS	Spectrum Profile	RMS Rank
UP (East)	12.8%	14.1%	1.4%	2G/3G	3
Delhi	11.6%	12.7%	1.1%	2G/3G	3
Karnataka	10.2%	11.4%	1.2%	2G/4G	4
Mumbai	9.0%	11.0%	1.9%	2G	4
Total	18.7%	22.4%	3.7%		3

These 15 service areas account for nearly 93% of overall company revenue.

The remaining seven operating licenses (representing around 20% of Wireless Industry revenue) of the Company which were cancelled by the Supreme Court in February, 2012, were re-acquired by the company in November, 2012 auction. These 7 service areas, where the commercial operations were started in FY 2009-10, are gestating in terms of profitability. As competitive intensity in Mobile sector declines, your Company started investing in these new service areas to improve its coverage. In the last three years, when measured between Q4FY13 to Q4FY16, your Company is proud to improve its Revenue Market Share by 2.9%. The growing standing of your Company's 7 service areas will help Idea to sustain, its current position as the fastest growing large mobile operator' now consistently for last 8 years.

Service Areas	7 Service Areas				
	RMS Q4FY13	RMS Q4FY16	Change in RMS	Spectrum Profile	RMS Rank
West Bengal	6.1%	9.7%	3.5%	2G	3
J & K	3.3%	7.1%	3.8%	2G/3G	5
North East	3.4%	4.6%	1.3%	2G/4G	5
Kolkata	5.6%	7.6%	2.1%	2G/3G	6
Tamil Nadu	3.0%	6.2%	3.2%	2G/4G	6
Assam	2.5%	5.5%	3.0%	2G	6
Odisha	4.3%	5.8%	1.6%	2G/4G	7
Total	3.9%	6.8%	2.9%		5

These service areas represent 7.0% of company revenue and your Company has a huge opportunity to improve New Service Areas contribution in its overall portfolio as latest wireless broadband services also gets rolled out in most of these markets.

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):

Circles	Current Spectrum Profile (in MHz)					Capability to Offer		
	900	1800 GSM	1800 LTE	2100	Total	GSM	3G	LTE
Maharashtra	9.0	4.0	5.0*	5.0	23.0	✓	✓✓	✓
Kerala	6.0		10.0	5.0	21.0	✓	✓	✓✓
M.P.	7.4	2.0	5.0	5.0	19.4	✓	✓	✓
Punjab	5.6	3.0	5.0*	5.0	18.6	✓	✓	✓
Haryana	6.0	1.0	5.0*	5.0	17.0	✓	✓	✓
Andhra Pradesh	5.0	1.0	5.0	5.0	16.0	✓	✓	✓
HP		4.4	4.8**	5.0	14.2	✓	✓	✓^
Delhi	5.0	8.6			13.6	✓	✓	x
UP (West)	5.0	2.2**		5.0	12.2	✓	✓	x
Gujarat	5.0	1.6		5.0	11.6	✓	✓	x
Tamil Nadu		6.4	5.0		11.4	✓	x	✓
UP (East)		6.2		5.0	11.2	✓	✓	x
Karnataka	5.0	1.0	5.0		11.0	✓	x	✓
North East		6.0**	5.0*		11.0	✓	x	✓
J&K		5.0		5.0	10.0	✓	✓	x
Kolkata		5.0		5.0	10.0	✓	✓	X
Odisha		5.0	5.0		10.0	✓	x	✓
Mumbai		6.4			6.4	✓	x	x
West Bengal		6.25			6.25	✓	x	x
Rajasthan		6.2			6.2	✓	x	x
Bihar		5.65			5.65	✓	x	x
Assam		5.0			5.0	✓	x	x
Total Spectrum	59.0	91.9	59.8	60.0	270.7			
Number of markets where Idea can deploy						22	13+2 [#]	10+1 [#]
Industry Revenue Contribution %						100%	60%	50%
Idea Revenue Contribution %						100%	79%	62%

* Contiguous block of 5 MHz (1800 MHz) spectrum is now available in Pune and Nasik for Maharashtra, Amritsar & Ludhiana for Punjab, Sirsa for Haryana and Khasi Hill & Tawang for North East Service Area. Awaiting the DoT approval post necessary spectrum payment to convert partial spectrum to full circle.

** 4.0 MHz in Himachal Pradesh, 1.8 MHz in U.P. (West) and 1 MHz in North East is partially available. Expect to convert partial spectrum to full circle post expected DoT approval shortly.

Second Carrier.

^ 4G services post harmonization.

Broadband Services

4G Services

In February 2014 auction, your Company won 60.2 MHz spectrum in 1800 frequency band including 4G LTE compatible contiguous blocks of 5/10MHz in 8 service areas along with top-up GSM spectrum in 7 service areas. In March 2015 spectrum auction, your Company won 20.4 MHz spectrum in 1800 band including 4G LTE compatible contiguous blocks of 5MHz in 2 additional service areas, 4.8 MHz non-contiguous spectrum in HP (capable of 4G LTE post DoT approval) along with top-up GSM spectrum in 3 service areas.

On December 23, 2015, Company took the historic giant leap in its telecom journey with launch of its 4G LTE services. Till March 31, 2016 your Company has launched 4G services in 3,946 towns & villages in 10 service areas of Maharashtra & Goa, Andhra Pradesh & Telangana, Madhya Pradesh & Chhattisgarh, Kerala, Haryana, Punjab, Karnataka, Orissa, NESA and Tamil Nadu including Chennai, providing coverage to around 116 million Indians, representing 21% of population of these 10 service areas. As of March 31, 2016, over 680,000 Idea customers are actively using its 4G services.

These 10 service areas represents ~61% of Idea's revenue and ~50% of national mobile industry revenue.

3G Services

Your Company provides high speed wireless broadband 3G services in 21 service areas of India (except Orissa), including through Intra-Circle Roaming (ICR) arrangements with other operators. In the month of March, 2015, your Company launched its 3G services for the Delhi metro service area on 900 MHz spectrum band (won in February, 2014 spectrum auction). Further, in March, 2015 spectrum auction Your Company won 5 MHz spectrum in 2100 MHz frequency band for Kolkata service area and launched 3G services in the month of December, 2015. The 3G foot-print of Idea's own 3G spectrum covering 13 service areas accounts for over 79% of its revenue, ~74% of its subscribers and ~60% of national mobile industry revenue.

The high speed broadband offerings (3G and/or 4G) of your Company is currently available in all 22 service areas (including service areas where 3G service is provided based on ICR

arrangements with other operators). The number of 3G devices on Idea network has increased from 36.5 Mn as of March 31, 2015 to 60.4 Mn as of March 31, 2016, a growth of 65.5%. Out of this 60.4 Mn devices 11.1 devices are 4G compatible. The subscribers who are actively using data on 3G/4G platform and enjoying high speed wireless broadband services reached to 23.6 Mn as of March, 2016, compared to 14.5 Mn subscribers as of March, 2015, a growth of 62.8%.

After successful acquisition of 4G spectrum in 10 service areas during last 2 spectrum auction and launch of 4G service in FY 2016, the overall wireless broadband spectrum profile (3G or 4G) of your Company covers ~87% of its revenue and ~79% of Industry revenue in 17 telecom circles. The company now have ability to offer wireless broadband services on 3G and/or 4G technology to nearly 880 million Indians.

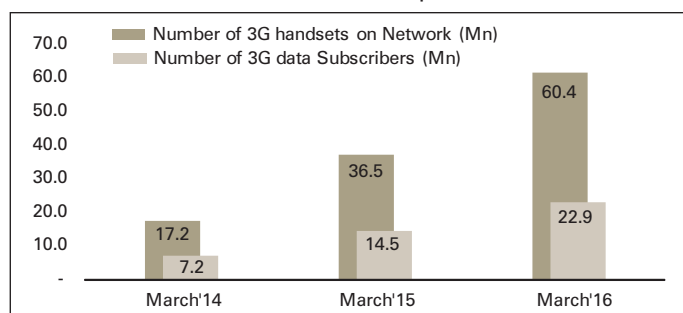
Long Distance and Other Services

Your Company holds licenses for NLD, ILD and ISP services. Idea NLD currently carries 98.4% of its captive NLD minutes. Your Company ILD services now handle almost 100% of captive ILD outgoing minutes, besides bringing large volume of incoming minutes from top international carriers across the globe. Company launched its ISP services in FY 2012 to cater to the captive requirement of its mobile business, which 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.

Your Company is consistently investing in optical fibre cable (OFC) transmission network to tap the future potential of wireless broadband and currently has laid and energized over 115,500 km OFC, in comparison to over 82,000 km two years back (Q4FY14). In FY 2016, Your Company doubled its annual fibre rollout to 22,100 KM against 11,400 KM in FY 2015, gearing itself to tap emerging wireless broadband demand. Your Company has over 7,200 OFC PoPs (3G & 2G) in all service areas. The fibre backhaul network of the company optimally serves our 2G/ 3G/ NLD/ ILD/ ISP/Wireless Broadband needs. Your Company has also introduced worlds' latest high capacity 100G DWDM network technology to cater to rising data demand. Details with reference to long distance business is as follows:

	Unit	For the Year		
		FY16	FY15	FY14
Total NLD Minutes	Mn	65,041	60,497	53,638
Total ILD Minutes	Mn	11,242	8,246	5,544
ISP Capacity*	Gbps	184.2	124.0	54.70
Optical Fibre Cable (OFC)*	KM	1,15,500	93,400	82,000

*approximate



Network Infrastructure and Coverage

Your Company has rolled out 4G network in 10 service area at breakneck speed since the launch of latest 4G services at the end of Q3FY16. In little over 3 months your Company has added 14,643 4G sites. Apart from laying 4G network, your Company continues to expand its 2G and 3G network aggressively during the year. It has added 14,466 2G sites on its network, taking the 2G site count to 126,833 as on March 31, 2016. On 3G front company added 19,769 3G cell sites in the 13 service areas where it provides 3G services with its own spectrum, highest ever 3G cell site addition since launch of 3G service in FY 2011. The company ended the financial year with 50,060 3G sites.

Company has expanded its GSM coverage to 390,997 towns and villages as of March, 2016 from 364,796 towns and villages as of March, 2015. The 2G network of your Company covers nearly 82% of Indian Population (around 990 Mn Indians). In the 13 service areas where company own 3G spectrum the population coverage is expanded to 50.4% in comparison to 36.4% last year, a massive coverage expansion of 14% in a years' time. In the 10 service areas where company owns 4G spectrum, within 3 months of launch of 4G services, company cover more than 21% of Indian in these service areas.

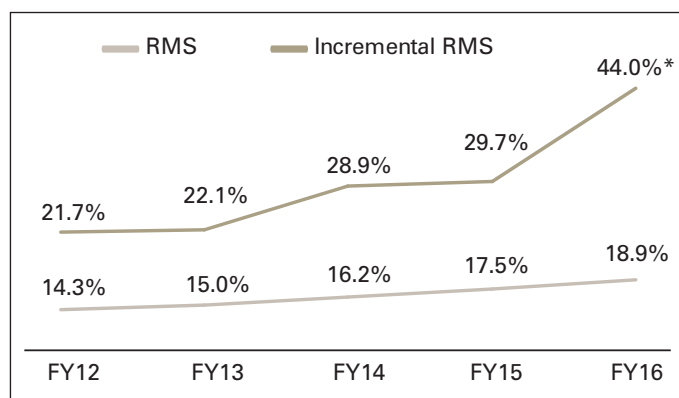
Tower Portfolio

Your Company along with its subsidiary Idea Cellular Infrastructure Services Limited (ICISL), owns 9,744 towers as on March 31, 2016. There are more than 16,100 tenants on these towers, resulting in tenancy ratio of 1.66. During the last one year the company has added 187 towers and over 800 tenancies as its reorganize itself to improve its tower tenancy ratio to near industry standards. Further, your Company has completed transfer of its own towers to ICISL (a wholly owned subsidiary) and all towers are under a single legal entity as of August 1, 2016.

Besides these towers, your Company through its wholly owned subsidiary Aditya Birla Telecom Limited (ABTL), holds 16% equity stake in Indus Towers Limited (Indus). Indus, a joint venture between Bharti Infratel, Vodafone India and Idea Cellular (thru ABTL), is one of the world's leading tower company with 119,881 towers and tenancy ratio of 2.25 as of March 31, 2016. Providence Equity Partners, through its entity P5 Asia Holding Investments (Mauritius) Limited, beneficially holds 1,925,000 compulsorily convertible preference shares (CCPS), convertible into equity shares representing 30.3% of the total equity share capital post conversion of these preference shares of ABTL, which in turn reflects Providence Equity Partners' beneficial equity interest in Indus Towers of 4.85% as of March 31, 2016.

Revenue Market Share

Your Company remain focused on Revenue Market Share (RMS) and Incremental Revenue Market Share (IRMS). While the former reflect the positioning of the company in the league tables, later reflects the current market power of the company. Your Company has improved its Revenue Market Share by around 1.4% to 18.9% for financial year 2015-16 from 17.5% in financial year 2014-15. Your Company gained incremental market share of 44% in financial year 2015-16. Your Company is a clear number 2 as per incremental revenue market share based on data for last four years



**IRMS for FY16 impacted due to reduction in IUC.*

Your Company has consistently improved its revenue market share & Gaining higher Incremental Revenue Market Share.

Quality Subscriber Base

Your Company is the sixth largest mobile telecommunications company (counted on operations in a single country) in the world based on number of subscribers (GSMA Intelligence, as of December, 2015) servicing about 184 Mn active subscribers on VLR as of March 31, 2016. Your Company has always been vigilant in monitoring the quality of its subscriber base. The data released by the TRAI for active subscribers (VLR subscribers) as of March 31, 2016, reaffirms quality of Company's subscriber base as among the best in terms of percentage of active subscribers. As of March 2016, Your Company has 105.0% of reported subscribers as VLR subscribers, which is highest in the industry. The End of Period (EoP) subscriber market share (on VLR) as on March, 2016 stands at 19.6%, as against a reported subscriber markets share of 16.9%. Your Company has improved its VLR subscriber market share by 0.9%, compared to March 2015.

During the Financial Year 2015-16, on an incremental basis your Company has added 22.5 Mn subscriber against overall industry VLR subscriber addition of 73.8 Mn, gaining incremental VLR subscriber market share of 30.5%. Today,

nearly 1 out of 3 Indian who buy new connection, prefer to join network of your Company.

Mobile Number Portability

The Mobile Number Portability (MNP) was implemented nation-wide on 20th January, 2011 and nearly 170.7 million customers have availed of the MNP facility offered by Indian Mobile Industry. Also government has introduced National MNP (NMNP) from July 03, 2015. The trends emerging from MNP and NMNP are clearly distinguishing the strong operators in terms of customers' preference for better quality of services and brand value. Over the last 63 months in the MNP space, Your Company has maintained leadership position on overall MNP Net Adds. As on March 31, 2016 Your Company has a net MNP gain of 17.7 million customers from other telecom operators with 'one out of every four' existing mobile customers, who chooses to port out from their existing mobile operator preferring to shift and stay with world class Idea services.

Your Company's success on the MNP front clearly demonstrate the success of your Company's 'Customer Centricity' program and re-affirms your Company strength of its seamless network coverage, low call drop rate, better voice & mobile data quality, advanced and precise billing systems on pre-paid and post-paid, customer responsive call centers and innovative/competitive product offerings.

Idea Mobile Banking Services

● Prepaid Payment Instrument (PPI)

PPI is commonly known as semi closed wallet. RBI granted Certificate of Authorisation for PPI to your Company in November 2013. Your Company commenced PPI services in July 2014 and currently operates in 16 service areas. Your Company is also now aggressively acquiring new mobile wallet customers digitally through Idea Web and Idea App. Idea Money wallet is available on Android Platform and the same will be available on iOS Platform in Q1 FY17. The company offers both cash and web loading (through net banking) into the wallets. With PPI wallet balance one can recharge prepaid accounts for Idea and other operator's, recharge DTH accounts, pay bills and make mobile wallet to mobile wallet and wallet to bank account transfers. These wallet accounts can be opened with minimum KYC for balance up to ₹ 10,000/-

The Company is also pursuing merchant acquisition program to increase digital money usage opportunity. The Company has signed / in process of signing up with e-commerce companies

servicing in the field of Food, Travel, Taxi, Railways etc. Your Company has acquired more than 2 Mn PPI mobile wallet customers as of March 31, 2016 and efforts are on to exponentially increase the number of active PPI digital wallet users. Almost all of the Mobile Wallet Customers addition by your Company came in this financial year.

Details with reference to PPI business is as follows

	Unit	For the Quarter			
		Q4FY16	Q3FY16	Q2FY16	Q1FY16
EOP Wallet	000	2,043.5	589.9	125.1	3.4
Transaction Value	INR Mn	772.9	262.3	68.7	0.5
Transaction Count	000	3,502.1	1,136.3	335.7	2.7
Average Transaction Value	INR	220.7	230.8	204.8	196.8

Payments Bank

RBI has given in principle approval to set-up the Payments Bank to Aditya Birla Nuvo Limited (ABNL) as promoter, on September 7, 2015. ABNL (51%) jointly with your Company (49%) is in the process of setting-up the Payments Bank in the name of Aditya Birla Idea Payments Bank Limited (ABIPBL).

Post necessary regulatory approvals from RBI, ABIPBL will commercially launch its services in first half of 2017 and intend to leverage the strength of Idea's 2 Million + retail distribution channel across 390,000 towns & villages while promoting range of services including opening of savings bank account, domestic remittances, merchant payments etc. and tying up with third parties for offering range of Credit, investment and Insurance products. In the long run the NEFT/IMPS and PPI business will be integrated with Payments Bank.

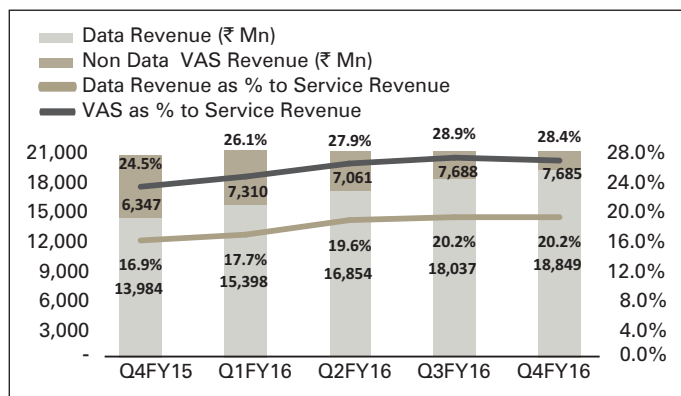
Non-Voice Revenue

The Non-Voice revenue includes Data Revenue and Non Data VAS revenue from SMS, Voice & Text based VAS services and other VAS services.

The wired broadband penetration (of Indian population) remains at a nascent level of 1.3% in India (TRAI, March 16). The wireless network remains preferred choice to access internet for the consumers. Hence, the data along with other Value Added Services (VAS) offers a substantial opportunity for additional growth in the Indian mobile telecommunication industry. The company is expanding its 3G network since launch of 3G services in FY 2010-11 to offer a superior broadband experience to its customer. Further, the company has recently launched 4G services and expanding its 4G network aggressively. The

expansion of broadband network coupled with increasing data adoption among mobile subscribers and higher data usage by data customers, has resulted in improved share of Data revenue in the total revenue. The data revenue for Financial Year 2015-16 stands at ₹ 69,137 Mn registering a growth of 52.4%, compared to data revenue of ₹ 45,378 Mn for Financial Year 2014-15. The Non-Data VAS revenue also registered a growth of 34.1% on YoY basis.

The contribution of Non voice revenue has improved from 24.5% in Q4FY15 to 28.4% in Q4FY16, an increase of 3.9% in last 12 months.



Data revenue as a % of service revenue improved from 16.9% to 20.2%

Data revenue growth was driven by improving adoption of the data services by subscribers. While the data ARPU for the data subscriber marginally declined to ₹ 147 in Q4FY16 compared to ₹ 150 in Q4FY15. The increase in data subscriber base of the company to 44.0 Mn as of March 2016, compared to 33.4 Mn as of March 2015 and higher data usage of 641 MB per data subscriber per month in comparison to 586 MB, are key catalysts for data revenue growth.

The following table provides the comparison of key data KPI:

Description	Unit	Q4FY16	Q4FY15	Q4FY14
Total Data Subscribers (2G+3G+4G)	000	44,019	33,424	25,256
Total Data Volume (2G+3G+4G)	Mn MB	82,236	54,510	27,299
Blended Data ARMB	paisa	22.9	25.7	25.3
Data ARPU for Data Subscriber (2G+3G+4G)	INR	147	150	104
Data Usage by Data Subscriber (2G+3G+4G)	MB	641	586	410
Broadband Data Subscribers (3G+4G)	'000	23,589	14,512	7,224

Description	Unit	Q4FY16	Q4FY15	Q4FY14
Broadband Data Volume (3G+4G)	Mn MB	57,603	30,680	13,084
Data ARPU for Broadband Data Subscriber (3G+4G)	INR	191	209	164
Broadband Data Usages by Broadband Data Subscribers (3G+4G)	MB	857	777	681

Large Scale of Operations

Your Company is the sixth largest mobile operator across globe based on number of subscribers (GSMA Intelligence, as of December 2015). Company carried more than 2.22 Bn minutes on a daily basis during Q4FY16. Company carried 786 Bn minutes on its network during FY 2016, compared to 683 Bn minutes in FY 2015, a growth of 15%. Further, the Total data volume carried by your Company on its network in Financial Year 2015-16 increased to 297.9 Bn MB in comparison to 172.7 Bn MB in Financial Year 2014-15, registering a solid growth of 72.7%.

Power Brand

Brand Idea is a prime example of your Company's contrarian approach to building a successful business in the highly crowded and competitive Indian telecom industry. Idea created clutter breaking communication through thought leadership based on the idea of category building vis-à-vis the beaten path of product and service based advertising. Through futuristic ideas presented using quirky themes, it showcased the role of voice mobility in offering solutions to challenges faced by Indians –giving people a reason to enter the then small but high potential category of mobile telephony.

This framework has led to the creation of some very noticeable and memorable advertising like the 'Caste War', 'Education for All', 'Use Mobile Save Paper', 'Break the Language Barrier', 'Population' (India busy on Idea 3G), 'Old Idea – New Idea', 'Idea rings all India – Honey Bunny' and 'Telephone Exchange' which have not only won many awards but also millions of hearts.

With this winning brand strategy, Brand Idea not only created thought leadership for itself in the consumers' minds, but also actively participated in the growing of the category from less than 200 Mn to 900 Mn subscribers today.

Your Company's brand is today focusing on growing the mobile broadband category in its endeavor to add the next 500 Mn to 700 Mn data users.

Idea started this phase by building relevance for mobile broadband with its 'No Ullu Banaoing' campaign. It was targeted at those segments of people who have access to but did not see any use of mobile internet for themselves. The campaign led to usage trials and also communicated that Idea has a strong internet network across the country.

'No Ullu Banaoing' has been followed up with the 'Idea Internet Network – IIN in 2014-15. Education is a great leveler in India and is seen as a key to success. Consumers believe that getting the right education is a step towards achieving their maximum potential. With wide spread use of internet, education can now reach a new set of consumers who see this as a great opportunity to learn and improve the quality of their life.

The 'Idea Internet Network' campaign tapped into this insight and chose education as a platform to connect with consumers across the length and breadth of the country. It encouraged consumers to learn anytime, anywhere and to follow their dreams and not let circumstances stop them from achieving their goals.

Idea launched a host of initiatives in 2015-16. The year started with the National Mobile Number Portability campaign that reasserted Idea's dominance as the No. 1 brand w.r.t. mobile portability. The campaign drove home the many advantages of the Idea network and service in the unique Idea way.

As a company, Idea has been at the forefront of diving Internet relevance and it continued to do so with the 'Easy Share' mobile data campaign. As part of this initiative, Idea consumers could share mobile data with people around them and get more and more people onto the internet bandwagon. The campaign tapped into consumers desire to share in a meaningful way and made 'internet' the new currency of sharing.

Another key initiative was the launch of the 'My Idea App' campaign. My Idea App allows Idea users to manage all aspects of their account like recharges, bill payments, getting special offers, information on various products at the touch of a button. The campaign took a DIY (Do It Yourself) approach to managing your account online and highlighted the simplicity and the convenience of the same.

FY 2015-16 ended with the launch of Idea 4G across 10 service areas in India. The communication campaign for Idea 4G focused on the amazing 'experience' of 4G and how it can impact your life. It also addressed the 'digital natives', consumers who spend a lot of time on the internet and almost live online. Idea 4G was thus positioned as 'The Network for people who live Online'

Brand Idea continues to be a hot favorite at national and international forums. It continues to collect accolades across categories and from panels comprising industry insiders as well as research experts.

STANDALONE FINANCIAL RESULTS

Revenues

Revenue from operations for the financial year ended March 31, 2016 increased by 14.5% and stood at ₹ 358,165 Mn as compared to ₹ 312,795 Mn for financial year ended March 31, 2015, primarily due to increase in service revenues. The growth in minutes of usage by 15.0% along with increase in data revenues have contributed to the increase in service revenues. Revenue Market Share of the Company increased from 17.5% in the previous year to 18.9% in the current year.

The 'Voice Revenue' of ₹ 256,749 Mn grew @ 5.4% in a declining voice market due to TRAI interventions in March 2015 of reducing the Interconnection Usage Charges (IUC) from earlier 20p/minute to 14p/minute. Non voice revenues grew by 46.3% led by a growth of 52.4% in Data revenues from ₹ 45,378 Mn in the previous year to ₹ 69,137 Mn in the current year and an increase in other non-voice revenues by 34.0% from ₹ 22,181 Mn in the previous year to ₹ 29,722 Mn in the current year. Increase in revenues from International Long Distance services net of inter segment eliminations was ₹ 6,984 Mn, a growth of 59.8% as compared to the previous year.

Other Income comprising of Interest Income and Profit on Sale of Current Investments decreased by 59.5% from ₹ 4,523 Mn in the previous year to ₹ 1,834 Mn in the current year. The decrease is mainly on account of decrease in surplus funds available with the company primarily due to payment towards spectrum and repayment of borrowings.

Operating Expenses

Total operating expenditure for the financial year ended March 31, 2016 increased by 11.0% to ₹ 239,923 Mn from ₹ 216,061 Mn incurred in the previous year, primarily reflecting the volume growth in the company's operations. Operational efficiencies have improved the margins thereby reducing the total operating expenses to 67.0% of revenue from operations as compared to 69.1% in the previous year.

Personnel Expenditure: Personnel Expenditure for the financial year ended March 31, 2016 increased by 7.8% to ₹ 14,644 Mn from ₹ 13,587 Mn incurred during the previous year, primarily as a result of annual increments and increase in the average number of employees. Our total number of employees increased to 12,491 as of March 31, 2016 from 10,875 as of March 31, 2015.

Network Expense and IT Outsourcing Cost: Network Expense and IT Outsourcing Cost for the financial year ended March 31, 2016 increased by 13.1% to ₹ 93,729 Mn from ₹ 82,887 Mn incurred during the previous year, primarily as a result of the

expansion of our network coverage. Our total 2G and 3G cell sites increased to 126,833 and 50,060 as of March 31, 2016 from 112,367 and 30,291 as of March 31, 2015, respectively. The Company has also launched 4G operations during the year. Total 4G sites as on March 31, 2016 is 14,643.

Licence Fees and Spectrum Usage Charges: Licence Fees and Spectrum Usage charges increased by 17.4% to ₹ 41,508 Mn for the current year from ₹ 35,351 Mn incurred during the previous year, corresponding to increase in revenue.

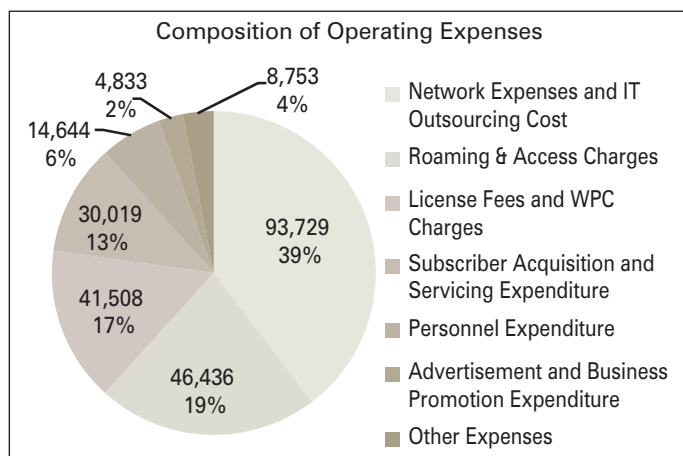
Roaming and Access Charges: Roaming and Access Charges decreased to ₹ 46,436 Mn for the current year from ₹ 47,313 Mn incurred during the previous year. The reduction due to decrease in termination charges, prescribed by TRAI effective March 1, 2015, was partially offset by the increase in data volume and total Minutes of Usage resulting in a net decrease of 1.9%.

Subscriber Acquisition and Servicing Expenditure: Subscriber Acquisition and Servicing Expenditure, increased by 19.9% to ₹ 30,019 Mn for the current year from ₹ 25,038 Mn incurred during the previous year, primarily as a result of increase in gross subscriber additions.

Advertisement and Business Promotion Expenditure: Advertisement and Business Promotion Expenditure decreased by 1.9% to ₹ 4,833 Mn for the current year from ₹ 4,929 Mn incurred during the previous year.

Administration and Other Expenses: Administration and Other Expenses increased by 25.9% to ₹ 8,753 Mn for the current year from ₹ 6,955 Mn incurred during the previous year, primarily due to an increase in CSR expenses, provision for doubtful debts, higher loss due to foreign exchange fluctuation and increased legal expenses.

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 incremental revenue growth has resulted in an EBITDA increase of 18.6% from ₹ 101,257 Mn for the previous year to ₹ 120,077 Mn for the current year. EBITDA as a %age of Total Income increased to 33.4% in the current year as compared to 31.9% in the previous year.

Depreciation, Amortisation and Interest & Finance Charges

Depreciation and Amortisation expenses increased by 27.7% to ₹ 61,995 Mn for the current year as against ₹ 48,550 Mn for the previous year. The depreciation charge for the year has increased by 14.6% from ₹ 41,435 Mn in the previous year to ₹ 47,483 Mn in the current year, primarily due to gross block additions. The amortisation charge for the year has increased by 104.0% from ₹ 7,115 Mn in the previous year to ₹ 14,512 Mn in the current year. The increase is primarily on account of higher amortization of spectrum acquired in auctions for 3G services, 4G services and in the seven service areas where its original CMTS licenses along with bundled spectrum expired during the current financial year and licenses were taken afresh.

Interest and Finance Charges for the current year increased from ₹ 9,317 Mn to ₹ 17,980 Mn, largely due to higher interest cost on the deferred payment obligation towards Spectrum.

Profits and Taxes

For the year ended March 31, 2016, Profit before Tax decreased by 7.6% and stood at ₹ 40,102 Mn, against ₹ 43,391 Mn for the previous year. Cash Profit increased by 28.9% over previous year and stood at ₹ 100,219 Mn.

The tax charge stood at ₹ 13,936 Mn. Net Profit for the current year was lower by 6.9% at ₹ 26,167 Mn.

Capital Expenditure

The Company incurred capital expenditure consisting mostly of network equipment (including capital advances) of ₹ 79,473 Mn in addition to the amount of ₹ 282,025 Mn (Net of ₹ 19,350 Mn paid in March 2015) committed for spectrum in the previous year.

Balance Sheet

During the current financial year, the paid-up equity share capital of the Company increased by ₹ 27 Mn, pursuant to issuance of 2,664,951 equity shares to the employees on exercise of stock options granted under Employee Stock Option Scheme, 2006 and Employee Stock Option Scheme, 2013. The reserves of the Company increased from ₹ 182,923 Mn to ₹ 206,954 Mn primarily due to current year's profits partially offset by

proposed dividend for the current financial year and dividend distribution tax on same. The total shareholders' funds stood at ₹ 242,959 Mn as at March 31, 2016.

Total loans outstanding as at March 31, 2016 were ₹ 408,529 Mn, an increase of ₹ 149,775 Mn, mainly due to the deferred payment liability on spectrum acquired in March 2015 auctions and partially offset by the repayment of borrowings during the year. Deferred Tax liability as at March 31, 2016 stood at ₹ 27,831 Mn. Other Liabilities and Provisions increased from ₹ 83,012 Mn to ₹ 118,760 Mn.

The Gross Block and Net Block [including Capital Work in Progress (CWIP)] stood at ₹ 984,509 Mn and ₹ 709,551 Mn respectively as at March 31, 2016. As on March 31, 2016, Investment in subsidiaries and associates stood at ₹ 16,669 Mn. Other assets decreased from ₹ 188,359 Mn to ₹ 71,859 Mn majorly due to decrease in Investment in Units of Liquid Mutual Funds and Bank Deposits.

Cash Flow Statement

The opening cash and cash equivalents of ₹ 127,041 Mn and the cash generation of ₹ 108,498 Mn from operating activities during the year was primarily used for capital expenditure ₹ 129,255 Mn (including payment towards spectrum and licenses ₹ 58,082 Mn), net repayment of borrowings ₹ 83,223 Mn and payment of interest and finance charges ₹ 7,682 Mn. Consequently cash and cash equivalents as on March 31, 2016 decreased by ₹ 111,205 Mn and stood at ₹ 15,836 Mn.

CONSOLIDATED FINANCIAL RESULTS

Revenues

Revenue from operations for the financial year ended March 31, 2016 increased by 14.0% and stood at ₹ 359,809 Mn as compared to ₹ 315,709 Mn for financial year ended March 31, 2015, primarily due to 14.5% increase in service revenues. The increase in the mobility and ILD service revenue of the company as explained in the standalone results section above along with increase in revenue from Passive Infrastructure services by 7.0% to ₹ 1,276 Mn led to the increase in service revenues. Sale of Trading Goods decreased by 80.8% from ₹ 1,717 Mn in the previous year to ₹ 330 Mn in the current year, primarily due to reduction in number of data cards and handsets sold during the year.

Other Income comprising of Interest Income and Profit on Sale of Current Investments decreased by 51.6% from ₹ 4,697 Mn in the previous year to ₹ 2,271 Mn in the current year. The decrease is on account of decrease in surplus funds available with the company primarily due to repayment of borrowings and payment towards spectrum.

Operating Expenses

Total operating expenditure for the financial year ended March 31, 2016 increased by 10.6% to ₹ 229,510 Mn in the current year from ₹ 207,592 Mn incurred in the previous year, primarily as a result of growth in the company's operations. Operational efficiencies have improved the margins thereby reducing the total operating expenses to 63.8% of revenue from operations as compared to 65.8% in the previous year.

Cost of Trading Goods: Cost of Trading Goods decreased by 80.1% to ₹ 289 Mn in the current year from ₹ 1,452 Mn incurred in the previous year primarily due to reduction in the number of data cards and handsets sold during the year.

Personnel Expenditure: Personnel Expenditure for the financial year ended March 31, 2016 increased by 8.5% to ₹ 16,599 Mn from ₹ 15,299 Mn incurred during the previous year, primarily as a result of annual increments and increase in the average number of employees. Our total number of employees (excluding employees of Indus Towers Limited) increased to 17,571 as of March 31, 2016 from 15,470 as of March 31, 2015.

Network Expense and IT Outsourcing Cost: Network Expense and IT Outsourcing Cost for the financial year ended March 31, 2016 increased by 13.5% to ₹ 81,707 Mn from ₹ 71,957 Mn incurred during the previous year, primarily as a result of the expansion of our network coverage and expenses incurred by subsidiaries and Joint Venture on additional sites.

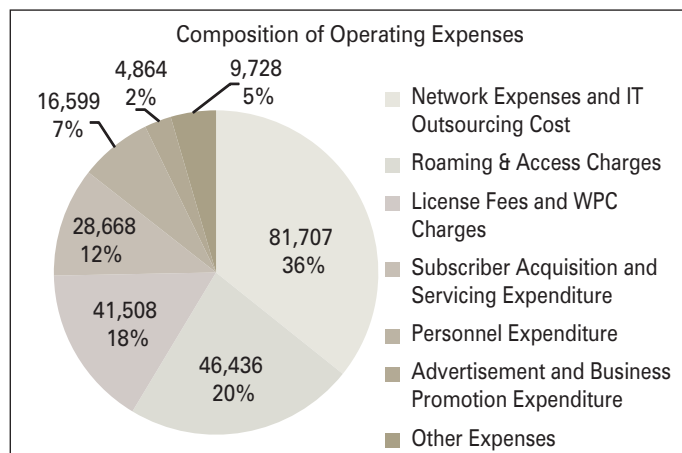
Licence Fees and Spectrum Usage Charges & Roaming and Access Charges: The increase in these expenses pertains only to the company covered above under the section on Standalone Financial Results.

Subscriber Acquisition and Servicing Expenditure: Subscriber Acquisition and Servicing Expenditure, increased by 20.7% to ₹ 28,668 Mn for the current year from ₹ 23,752 Mn incurred during the previous year, primarily as a result of increase in gross subscriber additions.

Advertisement and Business Promotion Expenditure: Advertisement and Business Promotion Expenditure decreased by 3.3% to ₹ 4,864 Mn for the current year from ₹ 5,031 Mn incurred during the previous year.

Administration and Other Expenses: Administration and Other Expenses increased by 26.9% to ₹ 9,439 Mn for the current year from ₹ 7,438 Mn incurred during the previous year, primarily due to the increase in expenses as covered above under the section on Standalone Financial Results.

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



Profit before Finance charges, Depreciation, Amortisation and Taxes

The incremental revenue growth has resulted in an EBITDA increase of 17.5% from ₹ 112,813 Mn for the previous year to ₹ 132,571 Mn for the current year. EBITDA as a percentage of Total Income increased to 36.6% compared to 35.2% for the previous year.

Depreciation, Amortisation and Finance Charges

Depreciation and Amortisation expenses increased by 25.4% to ₹ 66,508 Mn for the current year as against ₹ 53,036 Mn for the previous year. The depreciation charge for the year has increased by 13.2% from ₹ 45,896 Mn in the previous year to ₹ 51,959 Mn in the current year, primarily due to gross block additions. The amortisation charge for the year has increased by 103.8% from ₹ 7,140 Mn in the previous year to ₹ 14,548 Mn in the current year primarily due to the increase in charge as covered above under the section on Standalone Financial Results.

Interest and Finance Charges for the current year increased from ₹ 10,452 Mn to ₹ 18,816 Mn, largely due to higher interest cost on deferred payment obligation towards Spectrum.

Profits and Taxes

For the year ended March 31, 2016, Profit before Tax decreased by 4.2% and stood at ₹ 47,247 Mn, against ₹ 49,325 Mn for the previous year. Cash Profit increased by 26.9% over previous year and stood at ₹ 109,323 Mn.

The tax charge for the year stood at ₹ 16,447 Mn. Net Profit for the current year was lower by 3.5% at ₹ 30,799 Mn.

Capital Expenditure

In addition to the spectrum acquired in auctions relating to Idea Cellular Limited as covered above under standalone financial

results, during the year under review the capital expenditure (including capital advances) incurred was ₹ 84,184 Mn.

Balance Sheet

During the current financial year, the paid-up equity share capital of the Company increased by ₹ 27 Mn, pursuant to issue of equity shares as mentioned above in the section for standalone financial results. The reserves increased from ₹ 194,295 Mn to ₹ 221,651 Mn, primarily due to current year's profits partially offset by proposed dividend for the current financial year and dividend distribution tax on same. The total shareholders' funds stood at ₹ 257,656 Mn as at March 31, 2016.

Total loans outstanding as at March 31, 2016 were ₹ 415,031 Mn, an increase of ₹ 146,440 Mn, due to the deferred payment liability on spectrum acquired in March 2015 auctions and partially offset by the repayment of borrowings during the year. Deferred Tax liability as at March 31, 2016 stood at ₹ 30,714 Mn. Other Liabilities and Provisions increased from ₹ 86,770 Mn to ₹ 123,081 Mn.

The Gross Block and Net Block (including CWIP) stood at ₹ 1,047,751 Mn and ₹ 743,904 Mn respectively as at March 31, 2016. Other Assets decreased from ₹ 197,927 Mn to ₹ 82,598 Mn majorly due to decrease in Investment in Units of Liquid Mutual Funds and Bank Deposits.

Cash Flow Statement

The opening cash and cash equivalents of ₹ 130,745 Mn and the cash generation of ₹ 118,147 Mn from operating activities during the year was primarily used for capital expenditure ₹ 133,606 Mn (including payment towards spectrum and licenses ₹ 58,082 Mn), net repayment of borrowings ₹ 86,558 Mn and payment of interest and finance charges ₹ 8,505 Mn. Consequently cash and cash equivalents as on March 31, 2016 decreased by ₹ 109,267 Mn and stood at ₹ 21,478 Mn.

Human Resources

The Human Resource philosophy and strategy of your Company is to attract and retain the best talent, be an employer of choice and create a holistic workplace environment, where employees get opportunities to realize their potential. Your Company has been recognized as being amongst the "Top 25 Best Companies to Work For" conducted by Business Today. Companies are judged on career growth prospects, rewards, work life balance, performance evaluation and stability. Our standing here is a reflection of not just our employee's view but also of the larger Indian workforce which responded.

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 overall and re-kindled its focus on diversity, by taking various steps to make Idea a more women friendly workplace. All these efforts 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. This strategy has 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.

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. Launch of National MNP :

Government introduced National MNP (NMNP) from July 3, 2015. With the launch of National MNP, subscribers

can now retain their mobile number even while changing their home circle.

2. The Telecom Consumers Protection (Eighth Amendment) Regulations, 2015 (5 of 2015):

The TRAI through these amendments on August 7, 2015 to the Regulation has mandated all TSPs to:

- Provide, through SMS or USSD, information alerts related to the consumer's data usage.
- Every TSP needs to offer an alert immediately after a consumer roams outside the territory of India, advising the consumer to deactivate the data services in his mobile phone if he does not intend to use data services while roaming outside the country.
- Don't activate or deactivate the data service without his explicit consent through toll free short code.
- Data services through Special Tariff Vouchers or Combo Vouchers or add-on-packs will be deemed to have been activated with consent till the expiry of the validity period of the voucher/pack or on the consumption of entire data, whichever is earlier.

3. DoT guidelines on Spectrum sharing

The DoT released detailed guidelines on spectrum sharing on September 24, 2015. The key highlights are as under:

- Sharing allowed only between two existing access license holders in a same service area, utilizing same spectrum band subject to condition that two independent networks are provided on same band.
- All access spectrum including tradable spectrum, can be shared.
- Sharing permitted in following scenario:
 - For spectrum where both parties have paid market price for spectrum. For 800 MHz acquired in 2013, differential price for pro-rata period to be paid.
 - If both parties have administrative spectrum, then both to pay One Time Spectrum Charges(OTSC) for spectrum beyond 4.4 MHz / 2.5 MHz in GSM/ CDMA. However if OTSC not paid due to judicial intervention, then equivalent Bank Guarantee to be paid.
 - If one party has market price spectrum and other had administrative spectrum, sharing permitted only when administrative spectrum is liberalised.
- Spectrum usage charges (SUC) increased by 0.5% of AGR for both the sharing licensees.

- Spectrum cap remains applicable for both the sharing licensees. Spectrum holding of any licensee, post sharing, shall be counted after adding 50% of the spectrum held by other licensee in band being shared.
- Sharing uptill the validity of license / right to use spectrum.

4. DoT guidelines and clarification on Spectrum Trading

The DoT released detailed guidelines on spectrum trading on October 10, 2015. Key highlights are as under:

- Trading allowed only between two existing access license holders on a pan Service area basis.
- All access spectrum to be treated as tradeable spectrum.
- Trading allowed for all spectrum acquired through auction after 2010 or on which prescribed market price has been paid. For 800 MHz acquired in 2013, differential price for pro-rata period to be paid.
- Spectrum can be traded only after two years from the date of allocation or from its acquisition through auction or spectrum trading
- Trading will not extend the original validity period of spectrum.
- Trading permitted in block sizes of 200 KHz (900, 1800 band), 1.25 MHz (800 band), 5 MHz (2100 band), 20 MHz (2300 band).
- Seller to clear all his dues before trade. However any demand stayed by Court, would be subject to final decision of the Court.
- Trading permitted only on a full circle basis, though part of the spectrum can be offered for trading.
- Clear all Old Dues (OTSC/AGR demand/EMF penalties) before entering into any arrangement for trading.
- For seller, amount received from spectrum trading will be considered as part of AGR and seller is required to pay LF (8%) and SUC (5%) (Total 13%) on this amount.
- Buyer to pay transfer fee of 1% of transaction amount of trade or 1% of prescribed market price, whichever is higher, to DoT.
- If Buyer acquires entire spectrum holding, then he has to discharge all roll-out obligations related to spectrum acquired through trading – subject to minimum period of two years.
- In case of part acquisition, both Buyer and seller responsible for roll-out.

Further on May 12, 2016 DoT provided clarification on queries raised by TSPs, highlights are as follows:

- The seller must clear all its dues pertaining to the LSA where trading is intended including OTSC dues for that band. In case where entire spectrum holding of the TSP in all LSAs is intended to be traded, the seller will have to clear all its pending dues including past dues. DoT will indicate status of dues. However, the Buyer may perform due-diligence.
- The Government shall, at its discretion, be entitled to recover the amount, if any, found recoverable subsequent to the effective date of the trade, which was not known to the parties at the time of the effective date of trade, from the buyer or seller, jointly or severally.

5. DoT guidelines on liberalization of 800/1800 MHz spectrum

The DoT released the Guidelines on November 5, 2015 to liberalize administrative spectrum (*spectrum allotted prior to auction of right to use spectrum in Nov, 2012*) in 800 MHz and 1800 MHz in a LSA for the balance validity period of right to use spectrum on November 5, 2015. Key highlights are as under:

- The entire spectrum will be required to be liberalized after payment of auction determined price pro-rated for the balance validity period.
- The entry fee paid will be pro-rated for the balance validity period and will be deducted from the total amount to be paid by the TSP for liberalizing the spectrum.
- If the auction determined price is more than one year old then the prevailing market rates would be determined by indexing the last auction price at the rate of SBI PLR.
- In case the spectrum gets liberalized, the OTSC will be charged upto the date for calculation of charges for liberalizing the spectrum. However, if such demand is pending due to judicial intervention, a BG equal to this amount shall be submitted pending final outcome of the judicial process.
- After getting the spectrum liberalized, the TSPs may combine the same with the spectrum acquired by them in the same band through auctions/ trading.

- Spectrum Usage Charges (SUC) will be required to be paid for the liberalized spectrum as prescribed by the Government from time to time.
- The above guidelines shall not be applicable for the liberalization of a frequency band in a service area where auction determined price is not available for that band.

The guideline had explicitly stated that the guideline was not applicable for liberalization of frequency band in a service area where auction determined price was not available. However, on April 21, 2016 DoT released amended guidelines, salient features of same is as follows:

- As an interim measure, the most recent recommended Reserve Price by the TRAI will be taken as provisional price for liberalization of the administratively allocated spectrum in such case.
- Subsequent to the completion of the ensuing auction and with the availability of auction determined price, provisional price already charged will be suitably adjusted with the auction determined price w.e.f. date of Liberalization on pro-rata basis.
- In the event of non-availability of auction determined price in the ensuing auction, the price to be charged for liberalization may be reviewed by Government after completion of such auction.

6. Prohibition of Discriminatory Tariffs for Data Services Regulations, 2016

These Regulations issued on February 8, 2016, disallow service providers to offer or charge discriminatory tariffs for data services on the basis of content being accessed by a consumer. As per TRAI, the prohibition of discriminatory tariff is necessary to ensure that service providers continue to fulfill obligations in keeping internet open and non-discriminatory.

Through these Regulations, the Authority has mandated the following:

- No service provider shall offer or charge discriminatory tariffs for data services on the basis of content.
- No service provider shall enter into any arrangement, agreement or contract, by whatever name called, with any person, natural or legal, that has the effect of discriminatory tariffs for data services being offered or charged by the service provider for the purpose of evading the prohibition in this regulation.

- Reduced tariff for accessing or providing emergency services, or at times of public emergency has been permitted.
- Financial disincentive of upto ₹ 50 lakh will be applicable for each day of violation of regulation.
- Further, no new launches of prohibited packs/ plans or vouchers shall be permitted.

The regulation came into effect immediately and is to be reviewed every two years. On certain queries, the response of TRAI is awaited.

7. DoT orders on Single number based integrated Emergency Communication and Response System

Important highlights of order issued on May 4, 2016 are as follows:

- There will be a single emergency number '112'. The emergency numbers 100, 101, 102 and 108 will be treated as secondary numbers and will be connected to the PSAP (Public Safety Answering Point) under the control of respective State / UT and are to be re-routed to '112' for a period of one year from date of commissioning of PSAP. The call detail record will be maintained for one year as per license conditions.
- The existing emergency number 100 shall be continued till the commissioning of PSAP. All calls originated for 112 are to be routed to emergency number till date of commissioning of PSAP.
- Each TSP (Telecom Service Provider) will set up database of their own customers and all TSPs databases are to be connected to each PSAP. PSAP operator will take required information from respective TSP.
- The GMLCs (Gateway Mobile Location Centre) of all the TSPs should be directly connected to all PSAPs.
- There will be trial which envisages all types of messages including voice, data, video and other mediums to communicate with PSAPs. It requires requisite technical capabilities in PSAPs; transport network connecting TSPs with PSAPs, Gateway functionalities (if required) and procedure flow/functional capabilities is relevant network elements.

8. DoT guidelines for grant of Unified License VNO {UL(VNO)} to eligible applicants and notified its Guidelines

The guidelines were issued on May 31, 2016. The salient features of guidelines are as follows:

- An operator who wishes to provide telecom services to its customers utilizing the underlying network and /

or access spectrum of an existing NSO will have to obtain UL (VNO) License.

- The terms and conditions of sharing of infrastructure between the NSO and VNO shall be on the basis of mutually accepted terms and conditions between the NSO and the VNO.
- VNOs shall be permitted to set up their own network equipment. However, VNOs shall not be allowed to own/install equipment of core infrastructure.
- VNOs shall also be allowed to create their own service delivery platforms in respect of customer service, billing and VAS.
- Only pan-India or service area-wise authorizations may be granted under a UL (VNO) license. However, UL (VNO) licensee will be able to service an area within the LSA of the NSO with which the VNO has entered into an agreement for delivery of services.
- No spectrum shall be assigned to the VNOs.
- A one-time non-refundable entry fee for authorization of each service and service area shall be payable before signing of license agreement and thereafter for each additional authorization. The total amount of entry fee shall be subject to a maximum of ₹ 7.5 Crore, whichever is higher.
- In addition to entry fee, a VNO shall pay LF and SUC as a percentage of AGR for each authorized service separately as per procedure from the effective date of the respective authorization.
- The validity of the license shall be 10 years from the effective date of the first authorization in the Unified License (VNO). This means that authorization for services added at a later date would be valid only for the remaining period, without any pro-rata rebate in entry fee, etc.
- The licensor may renew, if deemed expedient, the period of license by 10 years at a time, upon request of the Licensee, on the terms specified by the Licensor, subject to extant policy. On renewal, the licensee may be required to pay a renewal fees as may be notified by the Licensor.

9. Additional authorization for provision of Access Services (under existing Unified License) obtained in various service areas

Your Company has successfully signed additional authorization for access services in the service areas of

Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Kerala, Haryana, UP (West), Punjab & Karnataka in July 2015 with the DoT, under its existing Unified License agreement no. 20-363/2012-AS-IVOL.II Dated October 11, 2013. The Authorization allows us to provide all type of access services (including wireline) in all these services areas for 20 year period.

10. DoT approval of transfer of erstwhile Spice ILD & NLD licenses to Idea Cellular Limited

The DoT has on March 18, 2016, provided its consent to name change of NLD & ILD licenses held by erstwhile Spice NLD to Idea Cellular Limited. Subsequently, since your Company already holds a valid NLD license since 2006, it has decided to surrender the NLD license of erstwhile Spice and the same has been done on March 28, 2016.

11. Earmarking of spectrum for all the spectrum won by Idea Cellular in March 2015 auctions received:

Your Company has successfully obtained earmarking of access spectrum won in March 2015 auctions in the various bands of 900 MHz, 1800 MHz, and 2100 MHz for its various service areas. The said earmarking of spectrum is valid for the service areas of Andhra Pradesh, Maharashtra, Kerala, UP (West), Haryana, Punjab, Karnataka, Gujarat and Madhya Pradesh in case of 900 MHz band. For 1800 MHz band, the earmarking has been obtained for the service areas of Himachal Pradesh, Odisha, North East, Tamilnadu, UP (West), Karnataka. The earmarking for 2100 MHz band has been obtained for Kolkata service area.

Opportunities, Risks, Concerns and Threats

The low rural subscriber penetration and a nascent broadband penetration in India, make it one of the very few market across the globe which offers significant growth opportunities in both Voice and Data segments. The GSM coverage by large Incumbent operators is almost reaching around 90-95% of population indicating that the GSM investment era is coming to an end and going forward no significant GSM investments are required. Further, with the technological advancement, lot of older equipment which are becoming due for replacement are getting upgraded to a single equipment (single RAN) which is capable of offering GSM plus Broadband on 3G or 4G technology. This would further lower the capex requirement for GSM services. The focus of the Indian operators is shifting to aggressively expand 3G and 4G broadband network. With government's focus on 'Digital India' and to improve per capita income coupled with lower price for 3G or 4G handsets, next phase of mass data demand is expected in next 12 to 18 months.

However, this massive adoption of data require a large commitment of Capex and Spectrum from operators. The 'Value of Data' is to be understood by the customers and given a low level of education, this remains a big challenge. Also, the subscriber need to upgrade their GSM feature phone to smartphone with inbuilt 3G or 4G service capabilities as well as increase their spending on telecom to experience the high speed services. These factors may take longer than expected time to change.

Your Company, with its leadership position and deep rural coverage in some of the large geographies, is fully equipped to capture a larger share of the incremental growth in the Voice market. Further, the wireless broadband data spectrum profile of your Company currently covers more than 87% of its revenue base. Company is working at breakneck speed to expand its broadband coverage in all potential markets across urban and rural cities of the service areas where company own spectrum and transforming itself from 'Pure Mobile Voice' operator to 'Balanced Telecom Company' offering customer high quality choice from mobility voice to high speed wireless broadband services.

As the country gears itself for next level societal transition from 'Off-line' to 'On-line' way of life, the Indian mobile sector, specially private operators, have taken on themselves to build just like in case of Voice, country's finest and deep 'High Speed Wireless Network' with coverage spread to reach a billion Indians over next 2 to 3 years and Capacity, multiple times of current capacity. As mobility sector builds global envy 'Broadband Network' capable to support world's 2nd largest wireless data market, in the short term it is witnessing huge capex on Network and Spectrum from Incumbent operators as well as new entrant planning to launch services in FY17. The financial position of some of the mobile operators does not allow them to commit large payouts towards capex and spectrum investment. As a results, these weak operators are looking at possibility of combining their operation and next phase of consolidation is expected to progress. While, the broadband capacity creation by the existing operators is far higher than the data demand it poses a risk for data prices to go down from the current level. This may negatively impact the envisaged benefits from huge capex committed by telecom operators.

Last year, the DoT cleared long awaited policies related to Spectrum Trading, Spectrum Sharing and Active infrastructure Sharing and these should be beneficial for the sector in the long term in terms of consolidation and bringing down cost of operations. Also, there is far more clarity on the quantum of spectrum availability for the sector over a longer period of time.

With government spectrum availability release the country is moving from earlier spectrum constrain scenario to spectrum glut era, where an operator can plan their spectrum procurement strategy 'Just in Time' instead of blocking precious capital. The DoT is also working towards spectrum harmonization. Post conclusion of this exercise sufficient quantum of spectrum in 1800 MHz is expected to be available for the Industry. However, the spectrum prices continue to remain un-reasonable. Some other regulatory interventions like reduction in IUC charges and reduction in roaming charges cap have adversely impacted the revenue of the sector in financial year 2015-16.

The telecom sector is characterized by technological changes and competition from new technologies is an inherent threat. However, till date, the Indian telecom sector has not faced any disruptive phase arising out of any technological changes. Your Company, with a portfolio of spectrum in 900/1800/2100 MHz has an attractive spectrum footprint to adapt to any future technological changes.

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 penalties/fines or increased cost of compliance. Your Company takes best effort to adhere to all such requirements.

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

Your Company continued to outperform the industry consistently for the 8th straight year. The Incremental Market Share, both in terms of Revenue and Subscribers that your Company is consistently gaining is a clear indicator of the growing market power of your Company. Company is working restlessly to expand the broadband coverage ahead of the key competitors in the service areas where it owns wireless broadband spectrum. The company has recently announced

its intention to participate in the exciting Internet Application space. It is planning its own entry into 'Digital Services' during financial year 2016-17 and 2017-18 across range of information, entertainment, communication and utilities applications along with monetization program of its key assets like location, billing, campaigning capabilities etc through API route. This will allow the company to strengthen its position. In the first phase, Idea Digital Services are slated to offer Idea branded (on its own or white labeled platform) services in partnership with multiple content providers including labels, aggregators & Production houses. Your Company is completing activities at fast pace to launch its own brand of Messenger services, Voice & Audio Chat services, Voice over IP, cloud based services etc. The company remains committed to transform itself from 'Pure Voice' to 'Integrated Telecom & Internet Operator'.

The spectrum profile of the company is extremely competitive as 87% of its revenue is getting covered with own 3G or 4G spectrum in 17 service areas. In 6 out of its 8 leadership market company own both 3G and 4G spectrum, in addition to liberalised GSM spectrum. Hence, the future incremental spectrum requirements for your Company are limited and company will pursue 'Just in Time' spectrum acquisition approach. The strong consumer affinity for the brand, the predictable cash flows, expanding mobile infrastructure and the competitive spectrum portfolio with proven and agile execution track record provides enough confidence to your Company to remain on the path of profitable growth going forward and tap all emerging opportunities in rural mobile telephony and wireless Broadband related internet services.

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 broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Corporate Governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Corporate Governance involves commitment to conduct the business in a fair, transparent and ethical manner, aimed at promoting sustainable business and enhancing shareholders' value in the long term. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. We believe that Corporate Governance is a continuous journey for sustainable value creation for all the stakeholders driven by our values of Integrity, Commitment, Passion, Seamlessness and Speed.

The Aditya Birla Group has been one of the front runners in India to adopt and implement best governance practices. 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
- Superior transparency and timely disclosure

In line with this philosophy, **Idea Cellular Limited**, an Aditya Birla Group Company, 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. We believe that good governance practices stem from the culture and mindset of the organisation. 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, 2016 is as set out hereunder:

1. BOARD OF DIRECTORS

An active, informed and independent Board is a prerequisite 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 shareholder 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. As on the date of this report, the Board comprises of eleven members comprising of a Non-Executive Chairman, a Managing Director, Six Independent Directors and three Non-Executive Directors. There are 3 women directors on the Board of the Company. The present strength 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 members of our Board comprises of eminent professionals from diversified background having rich and varied expertise in the areas of technology, banking, telecommunication, general management and entrepreneurship. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.

Mr. Gian Prakash Gupta, Independent Director, resigned from the Board of the Company with effect from January 21, 2016 due to health reasons. As the composition of Board including number of Independent Directors is in conformity with Regulation 25 (6) of the Listing Regulations; Board decided not to fill-up the casual vacancy caused due to his resignation.

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 Directors 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, 2016 are as under:

Name of Director	Category	No. of outside Directorship(s) held ¹	Outside Committee Positions Held ²	
		Public	Member	Chairman/Chairperson
Mr. Kumar Mangalam Birla	Non-Executive	8	-	-
Mrs. Rajashree Birla	Non-Executive	7	-	-
Dr. Shridhir Sariputta Hansa Wijayasuriya	Non-Executive	-	-	-
Mr. Sanjeev Aga	Non-Executive	6	3	3
Mr. Arun Thiagarajan	Independent	4	2	3
Mr. Gian Prakash Gupta ³	Independent	3	2	-
Mr. Mohan Gyani	Independent	-	-	-
Ms. Tarjani Vakil	Independent	8	4	4
Mr. R.C. Bhargava	Independent	7	3	4
Mr. P. Murari	Independent	7	4	2
Mrs. Madhabi Puri Buch	Independent	4	3	-
Mr. Himanshu Kapania	Managing Director	7	1	-

1. 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.
2. 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.
3. Mr. Gian Prakash Gupta ceased to be Director with effect from January 21, 2016.

Board Meetings and Procedure

The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets atleast 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 / teleconferencing facilities are also made available to enable participation of Directors, in case they are unable to attend the meeting physically.

There is a structured manner in which the agenda items are prepared and presented. 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 Chief Financial Officer and other 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. 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.

During the Financial Year 2015-16, the Board met five times i.e. on April 28, 2015, July 21, 2015, October 21, 2015, November 24, 2015 and January 21, 2016. 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 ¹ (Yes/No)
	Held	Attended	
Mr. Kumar Mangalam Birla	5	5	Yes
Mrs. Rajashree Birla	5	4	No
Dr. Shridhir Sariputta Hansa Wijayasuriya	5	3	Yes
Mr. Arun Thiagarajan	5	4	No
Mr. Gian Prakash Gupta ²	5	2	No
Mr. Mohan Gyani	5	2	No

Name of Director	No. of Board Meetings held during the tenure		Attended Last AGM ¹ (Yes/No)
	Held	Attended	
Ms. Tarjani Vakil	5	4	Yes
Mr. R.C. Bhargava	5	4	No
Mr. P. Murari	5	4	No
Mr. Sanjeev Aga	5	4	No
Mr. Himanshu Kapania	5	5	Yes
Mrs. Madhabi Puri Buch	5	5	No

1. AGM held on 28th September, 2015 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. Mr. Gian Prakash Gupta ceased to be Director with effect from January 21, 2016. Due to health reasons, Mr. Gian Prakash Gupta could not attend the Annual General Meeting (AGM) of the Company held on September 28, 2015. However, Ms. Tarjani Vakil, member of Audit Committee attended the said AGM.

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.

Meeting of Independent Directors

During the year, two separate meetings of Independent Directors were held on April 28, 2015 and March 16, 2016 without the presence of Non-Independent Directors and the management. The Independent Directors inter-alia, discussed on evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors which is necessary for the Board to effectively and reasonably perform their duties etc.

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

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, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees. The Directors expressed their satisfaction with the evaluation process.

Code of Conduct

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. 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. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct. 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, 2016 is attached and forms part of this Report.

2. 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 focussed discussion and expedient resolution of diverse matters. The Board Committees include Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Finance Committee, CSR Committee, Risk Management Committee and Securities Allotment 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 this 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 there on.
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 CFO (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. During the year under review, Mr. Gian Prakash Gupta ceased to be the member and Chairman of the Committee with effect from January 21, 2016. Mr. Arun Thiagarajan was nominated as the Chairman of the Committee with effect from January 21, 2016. To broad base the Audit Committee, Mrs. Madhabi Puri Buch was inducted as the Member of the Committee with effect from January 7, 2016. As on March 31, 2016, 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. The majority of the Audit Committee members possess accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Managing Director and the 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.

During the Financial Year 2015-16, seven meetings of the Audit Committee were held on April 28, 2015, June 22, 2015,

July 21, 2015, September 14, 2015, October 21, 2015, January 20, 2016 and March 16, 2016. 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. Gian Prakash Gupta ¹ (Chairman)	Independent	6	4
Mr. Arun Thiagarajan (Chairman w.e.f January 21, 2016)	Independent	7	7
Ms. Tarjani Vakil	Independent	7	6
Dr. Shridhir Sariputta Hansa Wijayasuriya	Non-Executive	7	2
Mrs. Madhabi Puri Buch ²	Independent	2	2

- Mr. Gian Prakash Gupta ceased to be member and Chairman with effect from January 21, 2016. Due to health reasons, he could not attend few Committee meetings and accordingly, such meetings were chaired by other Independent Directors for effectively discharging the role of the Committee.*
- Mrs. Madhabi Puri Buch was appointed as the Member of the Committee with effect from January 7, 2016.*

All the recommendations made by the Audit Committee were accepted by the Board. During the year under review, Audit Committee met separately with the Statutory Auditors to get their inputs on important matters relating to their areas of audit.

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 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 Employee Stock Option Scheme(s).

Terms of reference

The broad terms of reference of the 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. During the year under review, Mr. Gian Prakash Gupta ceased to be the member of the Committee with effect from January 21, 2016. As on March 31, 2016 Committee comprises of three Non-Executive Directors, majority of whom including the Chairperson are Independent Directors. The Company Secretary acts as a secretary to the Committee.

During the Financial Year 2015-16, four meetings of the Nomination and Remuneration Committee were held on April 28, 2015, July 21, 2015, October 21, 2015 and January 21, 2016.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2015-16 are as under:

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Ms. Tarjani Vakil (Chairperson)	Independent	4	3
Mr. Arun Thiagarajan	Independent	4	4
Mr. Gian Prakash Gupta ¹	Independent	4	2
Mr. Kumar Mangalam Birla	Non-Executive	4	3

1. Mr. Gian Prakash Gupta ceased to be member with effect from January 21, 2016.

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 has been disclosed in the Annual Report.

Remuneration of Directors

(i) Remuneration to the Managing Director

The remuneration package of the Managing Director 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 comprises of a fixed salary component and a performance linked bonus. A fair portion of the remuneration of the Managing Director is linked to the Company's performance, thereby creating a strong alignment of interest with shareholders.

Details of the Managerial Remuneration paid to the Managing Director during Financial Year 2015-16 is as under:

Executive Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration during 2015-16			
			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 fee	Stock Option details, if any
Mr. Himanshu Kapania	None	Managing Director	₹ 51.03 Mn	₹ 39.62 Mn See Note (a)	See Note (b)	See Note (c)

(a) Mr. Himanshu Kapania was paid a sum of ₹ 39.62 Mn towards performance incentive, linked to achievement of targets over and above ₹ 51.03 Mn paid as remuneration. The remuneration paid to Mr. Himanshu Kapania for Financial Year 2015-16, is as per the terms approved by the members at the Extra-ordinary General Meeting held on December 26, 2013. The Performance Linked Incentive (PLI) is disclosed on actual pay-out basis.

(b) The current tenure of Mr. Himanshu Kapania as the Managing Director of the Company ended on March 31, 2016. Mr. Himanshu Kapania has been re-appointed as the Managing Director of the Company for a further period of 5 years with effect from April 1, 2016. His re-appointment as the Managing Director of the Company has been approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 28, 2015.

The appointment is subject to termination by three months' notice on either side. No severance fees is payable to the Managing Director.

(c) In terms of your Company's Employee Stock Option Scheme, 2006 (ESOS-2006), Mr. Himanshu Kapania has been granted 267,500 stock options (Tranche I) on December 31, 2007, exercisable at an exercise price of ₹ 39.30 per option and 66,875 stock options (Tranche II) on July 24, 2008, exercisable at an exercise price of ₹ 45.55 per option. 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. Mr. Himanshu Kapania has exercised all the stock options under ESOS-2006.

Further, in terms of Employee Stock Option Scheme, 2013 (ESOS-2013), Mr. Himanshu Kapania has been granted 1,893,740 stock options (Options) exercisable at an exercise price of ₹ 126.45 per Option and 533,333 Restricted Stock Units (RSU) exercisable at an exercise price of ₹ 10/- per RSU on February 11, 2014. Each Option and each RSU when exercised is convertible into one equity share of the Company. These Options would vest in 4 equal annual instalments after one year of the grant and the RSUs will vest after 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. During FY 2015-16, Mr. Kapania has exercised 80,000 stock options under Tranche I of ESOS-2013.

(ii) Remuneration to 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.

Considering the performance of the Company for the year ended March 31, 2016, the Board of Directors has approved payment of ₹ 15 Crore as Commission for FY 2015-16 to the Non – Executive Directors of the Company, which is within the limit of one percent of the net-profit of the Company, approved by the shareholders

at the Annual General Meeting held on September 26, 2014.

The aforesaid amount of Commission is distributed amongst the Non-Executive Directors based on various parameters such as their attendance and contribution at the Board and various Committee Meetings, committee membership/ chairmanship, time spent on matters other than at the meetings, strategic perspective etc.

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, 2016 are as under:

Name of Non-Executive Director	Sitting Fees paid for FY 2015-16 (₹)	Commission payable for FY 2015-16 (₹)
Mr. Kumar Mangalam Birla	3,10,000	13,15,65,000
Mrs. Rajashree Birla	2,60,000	34,35,000
Dr. Shridhir Sariputta Hansa Wijayasuriya ¹	2,00,000	13,60,000
Mr. Arun Thiagarajan	4,95,000	34,33,000
Mr. Gian Prakash Gupta ²	2,40,000	-
Mr. Mohan Gyani	1,00,000	6,19,000
Ms. Tarjani Vakil	4,90,000	32,78,000
Mr. R.C. Bhargava	2,00,000	12,37,000
Mr. P. Murari	2,40,000	14,23,000
Mrs. Madhabi Puri Buch	3,00,000	19,80,000
Mr. Sanjeev Aga	3,00,000	16,70,000
Total	31,35,000	150,000,000

1. Commission payable to Dr. Shridhir Sariputta Hansa Wijayasuriya will be paid to Axiata Group Berhad, whom he represents.
2. Mr. Gian Prakash Gupta ceased to be Director with effect from January 21, 2016. Hence no Commission is payable for FY 2015-16 to Mr. Gian Prakash Gupta.

(iii) Details of Shareholding of Directors

The details of shareholding of Directors as on March 31, 2016 are as under:

Name of Director	No. of Equity Shares [#]
Mr. Kumar Mangalam Birla	233,333
Mr. Arun Thiagarajan	7,700
Ms. Tarjani Vakil	147
Mr. Sanjeev Aga	235,000
Mr. Himanshu Kapania	364,375

[#] Shares held singly or as a first shareholder are only considered.

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 conformity with provisions of Companies Act, 2103 and Regulation 20 of the Listing Regulations. As on March 31, 2016, 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 2015-16, the Stakeholders' Relationship Committee met once on January 21, 2016 and the said meeting was attended by Mr. Sanjeev Aga and Mr. Himanshu Kapania.

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

"Windsor", 5th Floor, Off CST Road, Near Vidya Nagari, Kalina, Santacruz (East), Mumbai – 400 098
Tel: +91-9594003434 Fax: +91-22-26527080
Email: shs@idea.adityabirla.com

Investor Grievances Redressal Status

During the Financial Year 2015-16, 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/queries were resolved to the satisfaction of the investors.

The status of Investors' Complaints as on March 31, 2016, is as follows:

No. of complaints as on April 1, 2015	0
No. of complaints received during the Financial Year 2015-16	166
No. of complaints resolved upto March 31, 2016	166
No. of complaints pending as on March 31, 2016	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 related treasury and banking activities. 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, 2016, 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 2015-16, four meetings of the Finance Committee were held on July 21, 2015, September 10, 2015, January 11, 2016 and January 21, 2016.

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	4	4
Ms. Tarjani Vakil	Independent	4	3
Mr. Himanshu Kapania	Managing Director	4	4

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, 2016 the Committee comprises of Mr. Himanshu Kapania, Mr. Sanjeev Aga and Ms. Tarjani Vakil. Mr. Gian

Prakash Gupta ceased to be the member of the Committee with effect from January 21, 2016. Ms. Tarjani Vakil was appointed as the Member of the Committee with effect from January 21, 2016. The Company Secretary acts as a Secretary to the Committee.

During the year under review no meetings of the Committee were held.

F. Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee (CSR Committee). 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, 2016, 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, 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 2015-16, three meetings of the Committee were held on April 28, 2015, October 21, 2015 and January 21, 2016.

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. Rajshree Birla (Chairperson)	Non-Executive	3	3
Mr. P. Murari	Independent	3	2
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, 2016 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.

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, 2016 the Committee comprises of Mr. Arun Thiagarajan, Ms. Tarjani Vakil and Mr. Himanshu Kapania as its members. Mr. Akshaya Moondra 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 year under review the Committee met twice on June 22, 2015 and March 16, 2016.

The composition of the Risk Management 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	2	2
Ms. Tarjani Vakil	Independent	2	1
Mr. Himanshu Kapania	Managing Director	2	2

3. SUBSIDIARY COMPANIES

The subsidiary companies are managed by their individual Board of Directors. The Company monitors the performance of subsidiary companies on periodic basis. The statement containing details of all significant transactions entered into by subsidiary companies is tabled before the Board periodically. Minutes of the Board Meetings of unlisted subsidiary companies are placed before the Board. The Company does not have any material non-listed Indian Subsidiary Company. The policy for determining material subsidiary is available on the Company's website www.ideacellular.com

4. DISCLOSURES

a. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations, during the Financial Year were in the ordinary course of business and on an arm's length pricing basis. 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 Accounting Standard 18.

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.

b. Disclosure of Accounting Treatment

In the preparation of standalone and consolidated financial statements, your Company has followed all the applicable 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, no proceeds were raised by the Company from public issues, rights issue, preferential issue etc.

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-clearances for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

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 victimisation 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 Listing Regulations

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. Deloitte Haskins & Sells 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 Listing Regulations

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/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 Director's 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 21st 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).

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 of the Company are generally published in The Economic Times (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)
2014-2015	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.	1. Issue of Non-Convertible securities on Private Placement basis 2. Approval of Material Related Party Transactions with Indus Towers Limited.
2013-2014	September 26, 2014	12.30 p.m.	Cambay Spa and Resort, Plot No. X-22/23, GIDC Electronic Estate, Sector 25, Gandhinagar-382 044, Gujarat.	1. Adoption of new Articles of Association. 2. Borrowing powers of the Company. 3. Creation of security on the properties of the Company, both present and future. 4. Approval for the payment of commission to the Non-Executive Directors.
2012-2013	September 16, 2013	12.00 noon	Cambay Spa and Resort, Plot No. X-22/23, GIDC Electronic Estate, Sector 25, Gandhinagar -382 044, Gujarat.	1. Issue of Securities under Employee Stock Option Scheme 2. Extension of benefits of the Employee Stock Option Scheme to the employees of holding/ subsidiary Company(ies) 3. Raising of Funds through further issuance of equity shares.

Extra-ordinary General Meeting

During the financial year 2015-16, no Extra-ordinary General Meeting was held.

Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2015- 2016.

iv) Details of unclaimed shares in terms of Regulation 39 of the Listing Regulations

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, 2015	83	18,590
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2015-16	6	646
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2015-16	6	646
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, 2016	77	17,944

The voting rights on the shares in the suspense account as on March 31, 2016 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.

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.

9. AUDITORS' CERTIFICATION

As required under Regulation 34 of the Listing Regulations, the certificate from the Company Auditor's M/s. Deloitte Haskins & Sells 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.

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

Day and Date : Thursday, September 29, 2016
 Time : 12.30 p.m.
 Venue : Cambay Sapphire
 (Formerly Cambay Spa and Resort),
 Plot No. 22-24, Near GIDC,
 Opposite Hillwoods School, Sector 25,
 Gandhinagar – 382 044, Gujarat

2. Financial Calendar for 2016-17 (Tentative)

Financial reporting for the
 quarter ending June 30, 2016 : End July, 2016
 Financial reporting for the
 quarter ending
 September 30, 2016 : End October, 2016
 Financial reporting for the
 quarter ending
 December 31, 2016 : End January, 2017
 Financial reporting for the
 year ending March 31, 2017 : End April, 2017
 Annual General Meeting for
 the year ended March 31, 2017 : August/
 September, 2017

3. Book Closure Date : September 24, 2016
 to September 29, 2016
 (Both days inclusive)

4. Dividend : ₹ 0.60 per share of
 ₹ 10/- each (i.e. 6%)

5. Dividend Payment Date : On or after
 September 30, 2016

6. Registered Office

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

7. Plant Locations

: The Company being
 a Service provider,
 has no Plant locations.

8. Unclaimed Dividend

Section 124 of the Companies Act, 2013, mandates the Company to transfer entire amount of dividend remaining unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Since, the Company declared its maiden dividend in September 2013 for FY 2012-13, no unclaimed dividend is due for transfer to IEPF.

The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed dividend.

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 fee for the Financial Year 2016-17 has been paid to the above Stock Exchanges.

10. Debt Securities**Listing Details:**

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 Ltd.	532822	IDEA.BO	IDEA IN
National Stock Exchange	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 BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the financial year 2015-16 are as under:

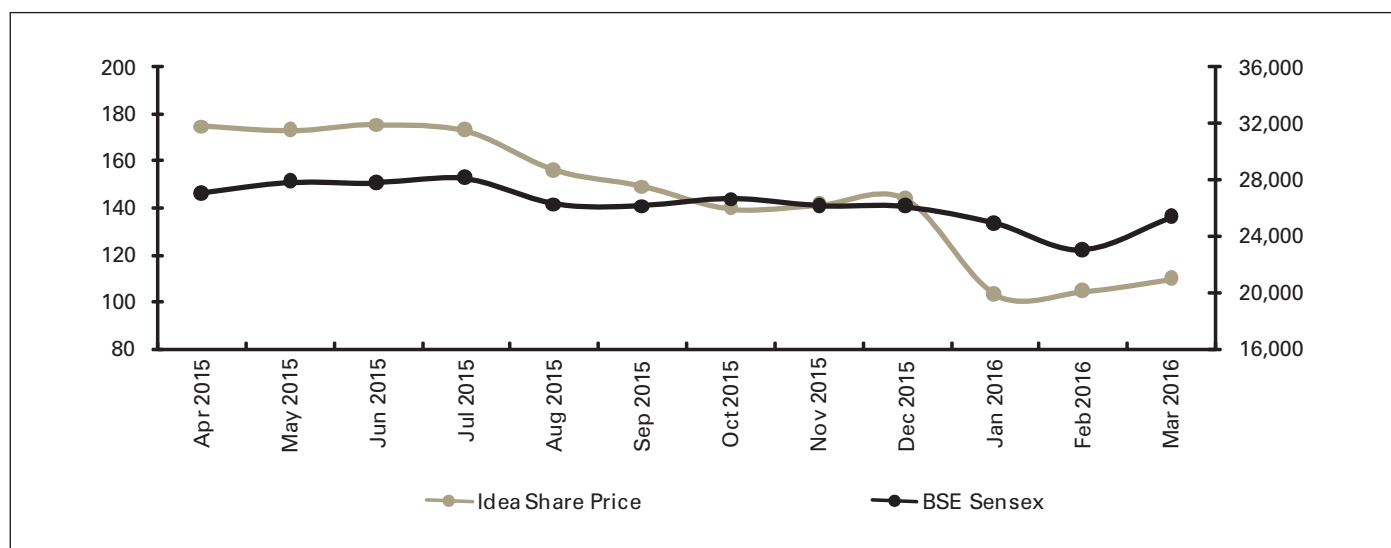
Month	BSE Limited				National Stock Exchange of India Limited			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)	High (in ₹)	Low (in ₹)	Close (in ₹)	Avg. Vol. (in Nos.)
April, 2015	203.90	173.40	174.95	803,920	204.00	173.75	175.00	8,031,904
May, 2015	182.15	165.15	173.20	340,701	182.10	165.00	173.20	5,459,892
June, 2015	180.10	165.05	175.65	368,461	180.40	165.00	176.15	3,894,423
July, 2015	186.50	165.00	172.85	441,739	186.50	165.75	173.35	3,549,844
August, 2015	174.10	141.00	155.85	275,627	175.00	141.00	155.85	4,170,563
September, 2015	155.40	137.25	149.35	304,732	155.45	137.15	149.50	3,550,154
October, 2015	160.30	138.00	139.75	326,261	160.25	138.00	140.00	4,627,241
November, 2015	149.05	127.00	141.40	324,587	149.75	126.85	141.40	5,260,451
December, 2015	145.20	124.35	143.75	252,962	145.20	129.10	143.65	3,167,005
January, 2016	144.30	102.40	103.10	447,896	144.45	102.30	103.15	5,045,244
February, 2016	112.10	97.55	104.45	507,436	112.35	97.20	104.30	3,973,397
March, 2016	111.70	98.10	109.75	1,114,557	115.10	98.05	110.20	4,972,461

Source: BSE and NSE Website

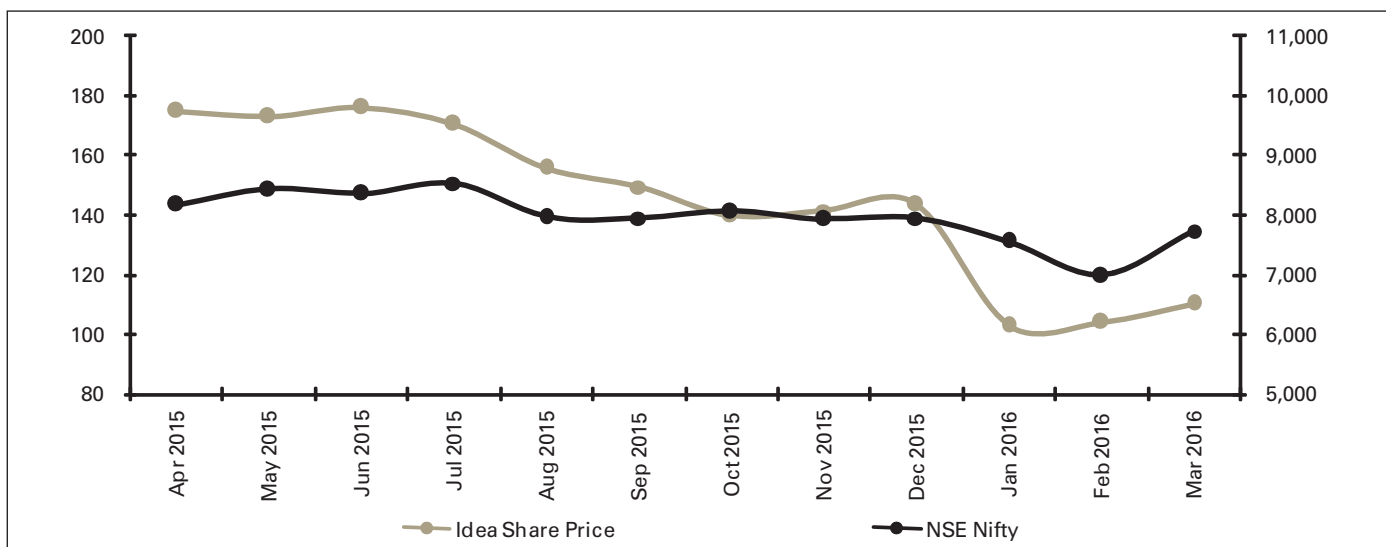
13. Stock Performance

The performance of the Company's share price vis-à-vis the broad based BSE and NSE indices during the financial year 2015-16 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, 2016 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	2,42,671	94.49	2,96,98,063	0.82
5000 – 10000	8,048	3.13	62,38,338	0.17
10001– 20000	2,966	1.15	44,14,798	0.12
20001 – 30000	904	0.35	23,11,723	0.06
30001 – 40000	369	0.14	13,28,946	0.04
40001 – 50000	321	0.13	15,30,225	0.04
50001 – 100000	541	0.21	39,45,310	0.11
100001 & above	991	0.40	355,10,41,975	98.64
Total	2,56,811	100.00	360,05,09,378	100.00

16. Shareholding Pattern

The shareholding pattern of the Company as on March 31, 2016 is as follows:

Category	No. of Shares	% Share-holding
Promoter and Promoter Group	152,06,79,047	42.23
Foreign Institutional Investors	87,11,65,995	24.20
Non-Resident Indians / Overseas Corporate Bodies	95,91,82,440	26.64
Mutual Funds, Financial Institutions, Banks, Insurance Companies and Venture Capital Funds	18,56,09,571	5.16
Domestic Bodies Corporate	48,36,543	0.13
Resident Indians and Others	5,90,35,782	1.64
Total	360,05,09,378	100.00

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 360,05,00,419 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, 2016.

18. Outstanding GDRs/ADRs etc.

The Company has not issued any GDRs/ADRs/Warrants and hence no amount is outstanding as at the year end.

19. Registrar and Share Transfer Agents

M/s. Bigshare Services Private Limited
E -2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka,
Andheri (East),
Mumbai – 400 072
Tel: +91-22-2847 0652 / 4043 0200
Fax: +91-22-2847 5207
E-mail: investor@bigshareonline.com

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 address for any assistance:

Mr. Pankaj Kapdeo
Company Secretary
Idea Cellular Limited
"Windsor", 5th Floor,
Off CST Road,
Near Vidya Nagari,
Kalina, Santacruz (East),
Mumbai – 400 098
Tel: +91-9594003434
Fax: +91-22-26527080
E-mail: shs@idea.adityabirla.com

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, 2016.

Place: Mumbai
Date : April 28, 2016

Himanshu Kapania
Managing Director

CEO/CFO Certification

To,
The Board of Directors
Idea Cellular Limited
Mumbai

We, Himanshu Kapania, Managing Director and Akshaya Moondra, 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, 2016 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, 2016, 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, 2016

Himanshu Kapania
Managing Director

Akshaya Moondra
Chief Financial Officer

Independent Auditor's Certificate

To the Members of Idea Cellular Limited

1. We have examined the compliance of conditions of Corporate Governance by **Idea Cellular Limited** ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 [excluding clause 49(VII)(E)] of the Listing Agreements of the Company with stock exchanges for the period from April 1, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 [excluding regulation 23(4)] and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance 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.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Khurshed Pastakia

Partner

(Membership No. 31544)

Place : Mumbai

Date : April 28, 2016

Business Responsibility Report

An Introduction to Business Sustainability in Idea Cellular Ltd. (Idea)

At the Aditya Birla Group, we endeavor to become the leading Indian conglomerate for sustainable business practices across our global operations by 2017.

To achieve this vision, we are innovating from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the business environment emerging in next 3 decades. It is in our own interests, to contribute to mitigate our impact in every way we can, and also prepare for further mitigation and potential adaption to planetary changes as we go forward.

We began our quest with a question, "If everyone and every business followed the law as written today, is the planet sustainable?" We quickly concluded that around the year 2050, when the Earth's population reaches an estimated 9 billion, climate change, water scarcity, stress plus pollution and an overload of waste, if left unchecked, would set the planet on a possibly irreversible course to un-sustainability. It is therefore intuitive that laws be tightened over time and imperative that the Aditya Birla Group remains ahead of the curve.

As part of the Aditya Birla Group, Idea Cellular is India's 3rd largest national mobile operator, with over 175 million subscribers. With traffic in excess of 2 billion minutes a day, Idea ranks among the top 6 country operators in the world. Using the latest in technology, Idea provides world-class service delivery through the most extensive network of customer touch points. Idea is listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

Idea has stayed committed to its network expansion drive and as on March 31, 2016, Idea has a total of 126,833 2G sites covering 68,545 towns. The tally for 3G sites stood at 48,968 covering 17,911 towns. Idea has launched its 4G services starting Q3 FY16 and presently has 14,643 sites covering 566 towns.

Idea Cellular endeavours to become the leading Indian company for sustainable business practices across all its operations by end of FY 2017. To achieve this, the company is innovating from the traditional sustainability models to one consistent with a vision to build sustainable business capable of operating in the world we hope to see emerge in 2030 and 2050. As part of implementing this sustainability roadmap of Idea, internalization and implementation across all functions are underway.

The first step has been to set up a sustainability programme in Idea current operations, under the heading "Responsible Stewardship". By doing so, the company has embarked on a journey to move from merely following local laws to aligning voluntarily with the international standards set by the global bodies like the International Finance Corporation (IFC), the International Standards Organisation (ISO); the Global Reporting Initiative (GRI) and United Nations (UN) SDGs (Sustainable Development Goals), which were adopted by the GSM Association (GSMA) at the Mobile World Congress in Barcelona in February, 2016. Idea is working hard to develop and improve its management systems and performance by making sure that they conform to the Aditya Birla Group's Sustainability

Framework of Policies, Technical Standards, and Guidance Notes by giving employees the chance to train, learn, understand, and apply improvement techniques to reach higher standards of performance. Idea is working towards achieving the World Business Council for Sustainable Development's Water and Sanitation and Hygiene pledge (WASH) to ensure that the company provides safe drinking water, sanitation and hygiene in all its operations. Each of these achievements helps reduce and mitigate the company's impact on the planet and are hence imperative to building a platform for the future.

Idea recognizes the importance of "Stakeholder Engagement" and has a business process mapped out for both internal as well as external stakeholders. The company at present is engaging employees across all levels to raise awareness, create engagement and ensure commitment towards sustainability through a formal internal stakeholder engagement programme. The ongoing activity is ensuring aligning with the leadership team to emphasize the opportunity and urgency for sustainability and to cascade it across the organization.

The company through an Aditya Birla Group initiative has engaged the services of an international agency for implementation of an IT system capable of providing management with all data required to be managed and published in a Sustainable Development Report. Idea is all set to develop its first dedicated Sustainability Report as per GRI (Global Reporting Initiative) Guidelines in FY 2017.

Going forward the company is working hard to further improve/strengthen its systems and processes especially those linked to: a) supply chain and contractor management practices, b) waste handling and disposal practices, c) external stakeholder engagement practices, and d) occupational health and safety.

For all the efforts that Idea makes as a responsible organization, there are various third party recognitions that the company attracted recently. Idea won accolades for its innovative products, streamlined processes, customer first services and empowering marketing campaigns. Recently, the company bagged prestigious Economic Times (ET) Telecom Awards under marketing category. Voice & Data recognized leaders at Idea during Telecom Leadership Awards under various categories ranging from net additions, to innovative marketing campaign, for developing interactive messaging platforms and more. Idea was also recognized as the Outstanding Company of the Year at CNBC TV18 India Business Leader Awards 2015, voted by investors as one of Asia's Best Companies in 2015 by Finance Asia in the categories of Best Managed Public Companies, Corporate Governance & Investor Relations. Brand Idea continued to win accolades for its marketing & advertising prowess in 2015. In February 2016, an additional feather in the cap was the GSMA Chairman's Award for collectively enabling 'Mobile Connect' in India. The award acknowledged the high level of commitment and collaboration in this project and are showcasing it as a model for other GSMA member operators to emulate. This award was received by the company's Managing Director along with representatives of the other Indian Operators.

About this Report

This Business Responsibility Report, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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

Sr. 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	April 1, 2015 to March 31, 2016
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 services 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

Sr. No.	Description	Information
1	Paid up capital (INR)	The paid up equity capital of the Company as on March 31, 2016 is ₹ 36,005,093,780 comprising of 3600,509,378 equity shares of ₹ 10/- each.
2	Total turnover (INR)	₹ 360,000 Mn
3	Total profit after taxes (INR)	₹ 26,167 Mn
4	Total spending on corporate social responsibility (CSR) as percentage of profit after tax (%)	For the year 2015-16, Idea's CSR spent was around ₹ 184.69 Mn. In addition, the Company mobilized resources from The Ministry of New & Renewable Energy (MNRE) and State Government for Midday Meals and Ministry of Health and Family Welfare for Polio Programme.
5	List of activities in which expenditure in 4 above has been incurred	The projects implemented during FY 2015-16 are: - Solar Urja Lamp Project for school children with IIT Bombay - Mid-Day Meal Project for Govt School Children with Akshaya Patra Foundation - Polio Non-Recurrence Project with Rotary International's India National Polio Plus Society "RIINPS"

		• Angrezi Seekho with Pratham Education Foundation • Rebuild School Infrastructure for Chennai Floods affected by Idea Cellular • Provide Health Care Support to Deaf-Mute Children through Cochlear Implant (for idea Subsidiaries ITL, ABTL, ICISL) During the year 2015-16 the company's CSR initiatives made impact on the lives of four lakh students through educational support programmes; 1,000 youths through skill development in solar technology and 2,000 households through sanitation projects.
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Section C: Other Details

Sr. No.	Description	Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 5 subsidiaries, 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)	No.
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%]	The Company does not mandate its suppliers/ distributors to participate in the Company's Business Responsibility (BR) initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business. Currently, 40% of other entities participate in the Company's BR initiatives. Idea strives to encourage more and more entities to participate in future.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

DIN Number	03387441
Name	Mr. Himanshu Kapania
Designation	Managing Director

b) Details of BR head

Sr. 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)

S. 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 ¹	Y ²	Y ^{3,4}	Y ³	Y ⁵	Y ²	-	Y ⁶	Y ³
2	Has the policy being 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 (NVGs) for Business Responsibilities								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Executive Committee comprising of the Managing Director and other CXOs - Deliberate and drive sustainability governance of the company; ensure efficient adoption of new sustainability processes and accelerate its progress. Chief Technical Officer (CTO) is the designate Chief Sustainability Officer (CSO) who represents Idea Cellular at the Aditya Birla Group Apex Sustainability Committee, which reports to the Chairman through the Business Review Council (BRC) Quarterly Reviews.								
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 Idea. Idea Cellular'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?	There are defined management structures in place to oversee effective implementation of all policies. - Executive Committee (EC) chaired by Managing Director comprising of all CXOs leading from the front - Chief Technical Officer (CTO) is the designate Chief Sustainability Officer (CSO) with Senior VP (Networks) is the Sustainability Champion								

		● Sustainability Officer/ Subject Matter Expert (SME) drives all companywide initiatives with HoD level SPOCs nominated from all Functions. This structure sets the sustainability framework in motion and implements the agreed policy and strategy across the company. ● Thematic Cross Functional Teams (CFT) in place to measure and manage sustainability focus areas across the company.								
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?	Idea has a robust internal review mechanism for its key policies. The Company is working hard to develop and improve its management systems and performance by making sure that they conform to Aditya Birla Group's Sustainability Framework of Policies, Technical Standards, and Guidance Notes by giving employees the chance to train, learn, understand, and apply improvement techniques to reach higher standards of performance. Sustainability Dashboard created and reviewed quarterly with Group level Central Sustainability Cell Office & Reporting to Business Review Council continuing from Q3 FY14								

¹ Code of Conduct: http://www.ideacellular.com/wps/wcm/connect/home/idea/investor_relation/code+of+conduct.

² Safety Health and Environment Policy*

³ Policy on Mission, Vision, Values

⁴ Policy on Prevention of Sexual Harassment

⁵ Human Rights Policy*

⁶ Corporate Social Responsibility Policy*

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

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 in framing, reviewing and modifying relevant policies (described later in the report). Even though the company currently does not have a stated policy on policy advocacy, 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 Aditya Birla Group (ABG) governs and guides all business activities and stakeholder interactions at Idea.

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. The employees of the Company and its subsidiaries are guided by the senior management along these values.

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 or 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 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.

No

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

Based on the Aditya Birla Group Code, which addresses the aspects of ethics, bribery and corruption, the company 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.

There are no outstanding complaints for FY 2015-16.

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

We at Idea understand the impact of business operations and recognize our responsibility towards bringing green initiatives into practice. Every year while focusing on integrating greater environmental sustainability we strive to bring new technologies and best practices in the industry. This aims at improving energy efficiency, conservation of water and initiatives that reduce deforestation.

The Company adheres to standard practices and procedures for waste disposal in accordance with regulations and has formulated procurement guidelines to assure safety and resource optimization. Following sustainability initiatives have been reported by Idea with a focus on water conservation and reducing deforestation, etc:

- **100% Post-Paid Paper Bills printed on recycled paper-** At Idea since FY 2015, all bills were printed on recycled papers instead of virgin A4 sheets. This initiative saved

41 tons of wood which is equivalent to saving 984 trees per annum.

- **Posters on recycled paper** - At Idea every month around 1,80,000 posters are printed for Bihar circle only. In FY 2015-16 the virgin art paper was replaced by recycled Maplitho paper which has same life as art paper. The recycled paper is environment friendly and costs 10% lesser. The saving was equivalent to 776 trees per annum.
- **Bio degradable packing of Recharge Voucher** - Laminated paper envelope packaging was a standard practice in dispatch of RCV's device. To avoid damage and pilferage plastic lamination and BOPP tape were used. The laminated paper envelopes were replaced by bio-degradable plastic envelopes and use of Virgin A4 sheets was completely eliminated. The envelopes are not just tamper proof and water resistant but 100% bio degradable as well.
- **Solar Power implementation** - To enhance the energy efficiency Idea intends to and has implemented renewable sources of energy. For example, Mobile Switching Centre (MSC) with power consumption of 1000 KW, Idea encourages renewable power usage. In AP by successfully implementing Solar Power usage in 2 major MSCs, we reduced Carbon Emission by 3612 tons per annum and water consumption by 11653 Kilo liter per annum. Similarly 3 other sites will soon implement use of renewable energy in FY 2016-17.
- **Recycled A4 Sheets for general Printing & Photocopiers** - The Company's average use of A4 Sheets of paper for general purpose of printing and photocopying is 60,000 reams per annum. Idea decided to replace Virgin A4 Paper with Recycled paper. The potential savings of this initiative is around 131 Ton wood which is equivalent to 3163 trees per annum.
- **Adoption of Eco-Friendly Prepaid SUK (Start-Up Kit) Jacket** - The Plastic Lamination on Outer Jacket was removed and Prepaid Kits were printed on Recycled Paper. The company uses around 127 mn prepaid kits per year. With a target to save 7,106 trees per annum - this green initiative was taken up by 17 Circles of Idea.
- **Compliance on EMF radiation related regulation** - This being another business priority at Idea, the company has made significant financial investment in the purchase of EMF monitoring equipment and is compliant with existing Department of Telecommunications (DoT) regulations. The Company is proactive in policy development and 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 be EMF compliant. Resources for meeting 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 has been working with COAI on the EMF portal.

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.**

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

- In an unprecedented move, the company has initiated a pioneering project to convert all its post-paid paper bill printing on Recycled Paper.
- The company has implemented use of renewable energy at mobile switching Centre with higher power demand. This would have an environmental benefit wherein we expect saving of carbon emission and abatement of water consumption.
- Bio-degradable packaging instead of Laminated envelopes for dispatch of RCV is an eco-friendly alternative.

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:

The main USP of re-cycled paper is that it saves cutting down of trees (thus protecting environment for better future).

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.

The Company has already adopted several environmentally conscious transportation practices, including route optimization, vehicle optimization and co-loading of shipment. Further, the company has been seeking vendor commitments to good sustainability practices before registering them on board. In this regard, the company has revised the Code of Conduct (CoC) for Idea Suppliers to address sustainable sourcing covering waste management, health and safety, child labor and environment. A copy of the same is also available on the Idea Supplier Portal.

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?

Idea is always been committed to provide skill development and employment to local businesses in rural areas through commissioning of call centers in non-metro towns and recruitment of rural youth for local sales operations. A major portion of the procured goods and services are de-centralized to local offices in various states.

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.

Recycling and environmentally safe disposal of waste is a non-negotiable and intrinsic aspect of Idea's environmental commitment. In this regard, as per the company's policy on scrap and waste, it is ensured that waste generated 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).

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 etc.

The company has also participated in events like the Stepathlon-Walk for Fitness which has resulted in continued awareness and action on fitness and health regime. In the first year of the event, all HODs and above population participated. The second year saw participation from female employees and non HOD employees aged above 50 years.

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 sustained growth in an extremely challenging business environment. 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.

Occupational Health and Safety of employees is a major focus area for the company's Human Resource. Several internal and external programs have been organized covering > 72 % of employees pan India to ensure health and safety of employees. As part of the Aditya Birla Group (ABG), Idea has implemented the ABG Code Red Programme. 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 Group

In addition to this, regular training programs are held at various Circle locations on specific safety subjects. E-mailers are sent daily to all the employees to create awareness on Health & Safety. Safety audits are being conducted at Warehouses, Facilities and MSC locations. Focus on design safety aspects have been made wherein new tower designs are modified to include fall protection systems to prevent falls and others features included for safe material handling on the towers.

Fire and Evacuation drills are conducted across all Circle locations on a half yearly basis. For all employees located at the Data Centre, ISO 27001 certification user awareness training was conducted. Road Safety Week celebrated at all locations to raise awareness on occupational road risks amongst employees. 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" communicated during Safety Week campaign 2016. Mandatory 10 Life Saving Rules were formulated and communicated to all employees for compliance. A process of reviewing the OH&S Competencies of prospect vendors/suppliers initiated. Generic OH&S clauses framed for inclusion in the service contracts as a part of Contractor Safety Management.

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:

- !NVEST - Framework for enabling career conversations
- !Aspire - Framework of internal development centers for high potential and high performing employees
- !Evolve - 'Competency based grid' training framework to develop people through different interventions on competencies
- i-Mitra - Employee query / request management tool
- Pragya initiative - Building a culture of inclusion based on gender diversity

Further, Idea actively engages with its employees through various forums like 'Samvaad', 'MD's chat', '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:

- Please indicate the total number of employees:***
The Company has 12,491 regular employees as on March 31, 2016
- Please indicate the total number of employees hired on temporary/contractual/casual basis:***
The Company has 10,306 employees on temporary/contractual/casual basis as on March 31, 2016
- Please indicate the number of permanent women employees:***
Idea has 1,095 permanent women employees.
- Please indicate the number of permanent employees with disabilities***
One permanent employee with disability In Karnataka Circle
- Do you have an employee association that is recognized by management?***
The Company has no employee association.
- What percentage of your permanent employees is members of this recognized employee association?***
The Company has no employee association.
- 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.***
There have been no cases reported, relating to child labour, forced labour, involuntary labour. However two case of sexual harassment has been reported and appropriate action have been taken in the last financial year.
- 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***
 - Total training man days for the company in FY 2015-16 = 60,202
 - Average training man-days per employee = 6.07 for FY 2015-16
 - Total training man-days given to sales team in FY 2015-16 = 4,01,347
 - 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 115 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 ₹ 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, 2016, the Company has 6,136 Rural Service Centers (Idea Points and Idea Service Points) across 6,100 rural towns i.e. additional 1,336 Rural Service Centres as compared to previous year. Products with starting prices as low as INR 4 or 5 ensure that everyone can experience these products while ensuring value for their money.

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 15,800 call centre agents in these towns so as to reach out to the rural customers. Idea also provides Interactive Voice Response (IVR) in 17 regional 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?*

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?*

Yes. In fact, 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 74% of the village population in India corresponding to 60% of villages in India. Under the project "Idea Care", the company is running over 8,288 My Idea Service centres, Idea Points and Idea Service Points. These three variant service centers models are spread over 6,720 villages and small towns through over 6,100 sales executives 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.*

Idea 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 stalwartly 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 where ever it does business.

Reinforcing its dedication to human rights issues, Idea has recently 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?*

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?

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.

In FY 2015-16, 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:

1. Reduce Carbon Emissions at the existing & new Telecom Sites of Idea
2. Adopt better battery hybrid solutions to reduce consumption
3. Continue with the procurement of most energy efficient Telecom Hardware
4. Encourage Infrastructure Provider partners to adopt low carbon operations

The track record of FY 2015-16 stands as below:

- Presently, over 19% of Idea Owned telecom towers are operational with hybrid solutions for energy reduction.
- Over 40% of Idea's BTS portfolio - Outdoor BTS (25% reduction in Energy consumption compared to Indoor BTS)
- 5,007 indoor sites were converted to outdoor sites in addition to 5,482 sites in FY 2014-15, reducing cumulative carbon emissions by 62,000 tons.
- The tenancy ratio of Idea is about 2.72, 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.
- Energy optimization based on the usage of deep discharge battery solutions such as lithium ion batteries and flow batteries are being evaluated and inducted for site operations.

The following initiatives have been undertaken by the Company, to utilize **alternate sources of energy**:

- **Exclusive Solar solutions at over 1,200 sites:** Cumulative solar deployment is presently about 4.5 MW. Idea uses a unique vendor engagement model known as Energy Management Service (EMS) Provisioning where RET-based generation (Solar Energy) and site operation management is combined under one Master Services Agreement.
- **On-Site Solar implementation:** This project was initiated last year and a 25 KW Solar Plant was constructed on the roof of Idea Delhi MSC. Similar plants will be deployed where roof space is available in MSC locations. This will reduce the power being drawn from the grid or the load on the DG reducing the Diesel consumption.
- **Off-Site Solar Deployment:** This concept was also initiated last year based on the Carbon abatement principle. 2 MW Solar PPA signed in AP with 3.46 Mn Solar Units generated neutralizing CO2 emission of 3,200 Tonnes. There are plans underway in five other Circles to deploy a similar model where power from will be generated from a solar at a remote place and fed to grid. The credit generated from the solar plant will be used to offset the cost of energy elsewhere.
- **Trial of new energy solutions:** Idea, in association with the United States Trade Development Agency (USTDA), is conducting trials of Solar Hybrid Methanol based Fuel Cell systems to power telecom towers. Five such sites are commissioned and operating, today. This is part of an effort to identify viable substitutes to fossil fuel for telecom site operations. The Company is also looking to increase the use of hydrogen fuel cells at its sites.

Some of the tangible outcome of above activities/initiatives include:

- **Reduction in Carbon emission:** CO2 emission reduction of about 35,000 Tons per annum by end of FY16 has been achieved through Power Purchase Agreements 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 FY16. Reduction in diesel consumption is contributing not only to greener economy but also to the national economy by reducing the use of subsidized diesel.
- **Contribution to Industry:** USTDA Sponsored Methanol Fuel Sites are first of this kind in Indian Industry, this trial will help to evaluate the technical, commercial and operational feasibility of site.

Going Forward, this year Idea continues to expand the deployment of energy efficiency solutions following heads:

- **Off Site Solar Deployment:** 2 MW Solar PPA is at the closure stage in MP. Similar opportunities are under evaluation in 4 other Circles.

- PPA with Renewable Energy Sources other than Solar, like Wind power procurement. About 1.5 MW Wind power PPA is in final stages in Tamil Nadu Circle

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?

The Safety, Health and Environment 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.

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

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 FY 2015-16, Idea in association with USTDA (United States Trade Development Association) commissioned five Solar Powered Methanol based Fuel Cells sites as alternative to Diesel Generators. Project is under observation period now.

In all such cases Idea adopted only commercially viable models which offered business benefits to all stakeholders involved. Reduction in CO2 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?

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.

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?

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.

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 will spurt socio economic growth including the role of the telecom sector promoting development, inclusive growth and access to information. 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. Telecommunications Standards Development Society, India (TSDSI)

Through its participation in the above bodies, Idea actively participates in policy development on several issues pertaining to the telecom industry, including the TRAI Directives on Green Telecom and EMF directives of DoT related 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, 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.

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.

The Company's Managing Director is the Chairman of COAI till July, 2016. He has also been elected to the Board of GSMA for a period of two years starting January, 2015.

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.***

Yes.

Idea is a member of several key Indian and global industry associations. Some of these are (as mentioned in the paragraph above):

- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Cellular Operators Association of India (COAI)
- GSM Association (GSMA)
- Telecom Sector Skill Council
- Telecommunications Standards Development Society, India (TSDSI)

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.***

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, higher quality of service and security for customers, environmental and EMF issues in telecom, innovation and technology etc. 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.

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 level at Idea.
3. Harnessing the transformational potential of mobile telephone and information technology to develop a better application to the universe of financial inclusion, education and Health for the weaker section 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 services provider offering its 175 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 was more than 70%, which is more than its licensing obligation.
- **Gender Equity Policy at Idea:** The Company maintains gender equality at all levels. Idea constantly endeavors 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. The company prides itself for its women centric initiatives such as providing crèche facility at work place, differential referral payment, mobility support etc. Idea 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, mEducation, 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.*

Yes.

The Roadmap and milestones for inclusive growth and equitable development are implemented through the Company's own initiatives and some are through its partners. Key specified programmes/initiatives in pursuit of above policy are as follows:

EDUCATION - Education is one of Idea Cellular's primary CSR initiatives. The Company works with children of all ages and help to improve school infrastructure and also provide educational aid to students. Its CSR projects on education focus on to improve access to education and to ensure that poor children in rural India get the necessary support to continue their schooling:

- **Solar Lamps to School Children:** Large parts of rural India across the country are still untouched by electricity. Data shows that 43 per cent of rural households use kerosene to light their houses and the same used by students to study. Still there are 11 lakh households with no source of lighting. Idea has planned to assemble and distribute 3.16 lakhs lamps in 25 rural blocks of Madhya Pradesh, Rajasthan, Odisha and Maharashtra. The pilot phase started with the training and distribution of lamps in the Mohgaon and Mawai blocks of Mandla district in Madhya Pradesh. According to the Census of India 2011, these two blocks have more than 60 per cent tribal population and more than 50 per cent households are dependent on kerosene as their main source of lighting.

A four-day training management and technical trainings were held from September to November, 2015. The assembly and distribution of solar lamps started from November, 2015 and 2.67 Lakhs lamps

have been distributed to students. Through the solar lamp initiative, the Company is also building the skills of the youth as they learn how to assemble the lamps. The solar lamp initiative has helped in providing livelihood sources of these students with learning of a new skill i.e., assembly of solar lamps. The initial field level evidence shows that due to solar lamp learning hours of rural children have increased and have also made impact on the attendance in the schools.

- **Mid-day Meals to School Children** - Extreme poverty is coming in the way of children from going to school and getting an education. The inability of students to access even one nutritional meal per day is severely limiting their capacity to concentrate in the classroom and to receive a proper education. Idea is partnering with the Akshaya Patra Foundation, a Bangalore-based non-profit organisation that implements a large scale, innovative mid-day meal programme for school-going children through centralized kitchens in various locations. Under this project, we are supporting 46,666 children in 625 schools in 10 locations Ahmedabad, Vadodara, Surat, Cuttack, Bhubaneswar, Puri, Jaipur, Lucknow, Bengaluru and Mysore. The initial field evidence suggests that the nutritional food has motivated children to attend the class regularly.
- **English Language Education** - One of the important challenges among the rural and underprivileged children is English medium of education. In the absence of English medium education many children are unable to get an employment. Idea Cellular has partnered with Pratham Education Foundation to initiate the Angrezi Sikho project through the use of IVRS system on a cell phone. Angrezi Seekho program was started in January, 2014 in seven cities. Club format is being used under which the teaching/learning are done through IVR. A pretest was conducted in target areas and clubs became operational in January. Most clubs were in urban communities. A local club coordinator was identified as a custodian of cell phones and had the responsibility of maintaining attendance records. They were paid a small honorarium. Children had the freedom to attend the club at their convenience. Dadri, Pilani and Talasari clubs were school based. Talasari is a tribal belt and both schools are residential "Ashramsala".

In April, 2015, Keeping focus on comprehension we developed a self-learning module focusing on sentence making and comprehension. An interested, responsible child was identified as a student leader. She was the coordinator and also custodian of cell phone. The phase two of the program started from July, 2015. The program is expanded to eight cities covering 2800 children. Based on the results and experience of phase one, currently we are implementing two models for the clubs:

- Community based clubs with student coordinators
- School based clubs with Pratham volunteers as club coordinators.

Students are the club coordinators in community programs and they do not get any honorarium. As an incentive, they are getting spoken English practice. They are given regular calls at a predetermined time on their mother's cell phones. These calls are also used to monitor progress, randomly check attendance, regularity of clubs and to conduct quizzes. Each student coordinator is given one cell phone. Depending on the school timing, the coordinators keep their clubs open either in the morning or evening. Most members are in the neighborhood and come to the club in a group.

The initial finding suggest that there is an increase in the overall attendance, all students are familiar with IDEA cards. They confidently use cell phones and choose cards they think are relevant. Adult coordinators in school based clubs 'control' the use of cards. Random observation has showed that children enjoy the interactive nature of the exercise. Few students expressed that they like it because they don't have to write anything and need not worry about spellings. Through this project, 2,800 children in seven locations Delhi, Mumbai, Lucknow, Pilani, Pune, Talasari and Vikramgad are being provided English education.

- **Rebuild School Infrastructure and provide learning aid to Chennai Floods affected children:** Tamil Nadu was hit by unexpected and incessant rains which left a huge population stranded and disrupted normal life. The community is facing huge challenges in restoring the basic services. The schools, health centers and individual houses require support to restore the normal life. Idea Cellular has a significant presence in these regions, where our colleagues continue to battle the after affects and are striving to resume normal life and maintain business operations. Idea Tamil Nadu & Chennai Circle Team with the help of NGOs and Government agencies visited the flood affected areas and has identified 19 affected schools & institutions, which require rehabilitation assistance. We are providing rehabilitation support in 19 schools in Chennai. The Key Rehabilitation activities ongoing are Infrastructure Restoration - Civil Structure, Furniture, Stationary, Computers & Printers, Books & Journals, Sanitation – Renovation of Toilets, Hygiene - RO Water Purifier & Water storage tanks.

HEALTH CARE - It is not just education; Idea is also focusing on another important human development indicator – health and sanitation. The preventive health care programme addresses need of children and adult. A strong institutional network is also envisaged during the formulation of projects:

- **Polio non-reoccurrence:** The Company's polio non-reoccurrence initiative is tied up with the National Pulse Polio Programme. To ensure that the dreaded Polio virus does not make a comeback, Idea Cellular has partnered with Rotary International's India National Polio Plus Society "RIINPS". Through this project our endeavor is to continue vaccination of children, organize camps and launch awareness campaigns across India. It is a pan-India initiative and approximately 17 crore children will be covered for polio vaccination in every round. The project was launched in June, 2015 and three rounds of health camps have been organized.
- **Provide Health Care Support to Deaf and Mute Children through Cochlear Implant:** In India 3 in 1000 babies born, suffer from profound Hearing Loss, i.e born deaf. The incidence of hearing loss in Maharashtra is 6000 babies every year. The magnitude of the problem is grave. Modern biotechnology has provided a solution in the form of Cochlear Implants. However this is in an extremely expensive technology which cannot be afforded by the underprivileged people. In this context it becomes important to support surgical and rehabilitation skill, which can bring succor in the life of under privileged. Idea and its subsidiary companies ITL, ICISL, ABTL supported Cochlear Implant to 9 children. The activities to support children for Cochlear implants are pre-operation counselling and pre evaluation, pre-operative vaccines to prevent infection, pre-operative audio logical evaluation including Tympanogram, Audiogram, BERA, ASSR, OAE, HRCT and MRI of ears.

SANITATION - It is believed that 51 per cent or 600 million people in the country defecate in the open, accounting for 60 per cent of the world's total open defecations (OD). There has been improvement in the data related to sanitation figures during 1990, 75 per cent people defecated in the open as against 51 per cent in 2010. In the case of J&K, out of 4,198 Gram Panchayats, only 14 Gram Panchayats have achieved open defecations Free (ODF) status. The major reason for low sanitation facilities in rural areas are lack of resources, lack of sensitization, circumstances prevailing in the state, absence of effective Panchayati Raj Institutions and the cost of building a toilet. To address the issue, the Rural Development Department of the Jammu & Kashmir Government has proposed a partnership with Idea to support 2010 individual household latrines in 10 Gram Panchayats of Doda, Jammu, Samba, Pulwama, Leh, Shopian, Kupwara and Ganderbal to provide sanitation facilities and make these ten gram panchayats ODF. MOU was signed in January, 2016 and the project was launched in February, 2016.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company has setup a separate CSR Department at Corporate level. 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:-

- IIT Bombay
- Ministry of New and Renewable Energy
- Pratham Educational Trust
- Akshaya Patra Foundation
- Rotary International's India National Polio Plus Society "RIINPS"
- Department of Rural Development, Govt. of Jammu & Kashmir

Idea from time to time associates with different NGOs to cater to various needs of the less privileged and specific causes. Circle Teams of Idea does several activities like blood donation camps, tree plantation, visits to local NGOs etc.

Idea 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?

In order to measure the impact of its CSR projects, All Idea's project partners conduct baseline and impact study of their project outcomes.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

For FY 2015-16, Idea's CSR spend was around ₹ 184.69 Mn. 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.

All Idea's CSR projects focus on community participation, empowerment and community development. The Company undertakes projects in rural areas and cater the need of underprivileged section of the society.

Apart from community development work Idea has developed mobile applications for the rural population and provides employment opportunities to rural youth through

initiatives such as 'Son of Soil'. Providing affordable telecommunication access to rural population is Idea's contribution to sustainable and equitable development in India.

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. In 2015, a revamped model for these Company Retail Stores was put in place. Currently, the Company has over 88 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 attained first rank in customer satisfaction in FY 2014. In March, 2015 survey results, Idea retained its first rank, jointly. Over the past one year, focused activities were taken up to retain and

strengthen Idea's customer relationships which have resulted in Idea retaining its first rank, jointly, as on March, 2016. Further, with a view of creating an outward looking and customer centric organizational culture, Net Promoter Score has been introduced as a measure. Idea ranked a clear No. 2 in March, 2014. In March, 2015, Idea achieved a clear NPS rank 1. With directed efforts towards customer delight, Idea has managed to retain clear NPS rank 1 in March, 2016.

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', 'Mystery Audits at Service Centers', 'National Enterprise Business (NEB) Satisfaction Study', and 'Franchisee Satisfaction Survey' during the course of the year to get customer feedback and undertake corrective actions and initiatives. With increasing footprint in the Enterprise business, Idea carries out focused studies amongst decision makers and users of all Enterprise segments, to address their needs.

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.

With a view to create a customer centric culture within the organization, a customer immersion program 'iConnect' has been launched, which will enable employees to understand customer needs and issues for Outside In Perspective. Each employee is required to spend at-least one day in a quarter at a Service Center or Contact Center, assisting customer facing agents by working together with them, or shadowing them during a live customer interaction. Employees will have an opportunity to engage with customers directly.

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?*

Out of the total calls received by the company from customers, approximately 0.9% are related to complaints. 0.4% of the total complaints received during FY 2016 were in an open stage as on March 31, 2016. 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*

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.*

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?*

Idea conducts a C-SAT survey thrice a year as well as other assessment surveys such as 'Customer Life Cycle Experience Audits', 'Mystery Audits at Service Centers', 'National Enterprise Business (NEB) Satisfaction Study', and 'Franchisee Satisfaction Survey'.

Independent Auditors' Report

To the Members of Idea Cellular Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IDEA CELLULAR LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair

view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the Note 32A(i) to the financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunication (DoT) demand notices for one time spectrum charges.

Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 A". Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the Company's internal financial controls over financial reporting.

- 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 financial statements – Note 32 (A) and 32 (C) to the 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Khurshed Pastakia

Partner

(Membership No. 31544)

Place : Mumbai

Date : April 28, 2016

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph "1(f)" under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of **IDEA CELLULAR LIMITED** ("the Company") as of March 31, 2016 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

2. 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 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.

Auditors' Responsibility

3. 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

4. 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

5. 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

6. In our opinion, to the best of our information and according to the explanations given to us, 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, 2016, 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 DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Khurshed Pastakia

Partner

(Membership No. 31544)

Place : Mumbai

Date : April 28, 2016

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date except the following:

Nature of Asset	Number of Cases	Gross Block ₹ In Mn	Net Block ₹ In Mn	Remarks
Land	79	74.27	72.79	The ownership of these properties is transferred and vested in the Company through High Court merger approvals. The titles are pending mutation in the name of the Company.
Building	36	507.33	274.50	

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the

Company, where the Company is the lessee in the agreement except the following:

Nature of Asset	Number of Cases	Gross Block ₹ In Mn	Net Block ₹ In Mn	Remarks
Leasehold Land	11	67.42	24.82	The land leases are transferred in the name of Company through High Court merger approvals and the same are pending mutation in the name of Company.

- (ii) As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the

prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax / Value Added Tax, Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax / Value Added Tax, Service Tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

c) There are no dues of cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax / Value Added Tax, Service Tax and Customs Duty which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Mn)	Amount Unpaid (₹ in Mn)
Customs Act, 1962	Custom Duty	Customs Excise & Service Tax Appellate Tribunal	2003-04	7.12	7.12
Karnataka Tax on Entry of Goods Act, 1979	Entry Tax	High Court of Karnataka	2004-05	8.92	8.92
MP Entry Tax Act, 1976	Entry Tax	Assistant Commissioner, Deputy Commissioner (Appeals), State Tax Tribunal, CG Appellate Board, Madhya Pradesh High Court	1998-16	540.24	108.14
Orissa Entry Tax Act, 1999	Entry Tax	High Court, Cuttack	Nov 08 to Mar 16	48.13	33.13
Rajasthan Tax On Entry Of Goods Into Local Areas Act, 1999	Entry Tax	Supreme Court	2008-16	152.08	71.16
The Bihar Value Added Tax Act, 2005	Entry Tax	Joint Commissioner (Appeals), State Tax Tribunal	2010-14	2.25	2.11
The Uttar Pradesh Tax on Entry of Goods Act, 2000, Uttar Pradesh Trade Tax Act, 1948	Entry Tax	Assessing Officer, State Tax Tribunal, High Court Allahabad	1999-10, 2011-12	35.26	17.27
Uttar Pradesh Trade Tax Act, 1948 (UTTRAKHAND AMENDMENT)	Entry Tax	High Court Nainital	2001-04	1.21	0.57
Himachal Pradesh Entry Tax Act, 2010	Entry Tax	Assistant Excise and Taxation Commissioner	2010-16	81.15	47.19
The Jammu & Kashmir Entry Tax on Goods Act, 2000	Entry Tax	Srinagar High Court	2009-16	267.94	-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2002-16	61,751.56	48,522.75

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Mn)	Amount Unpaid (₹ in Mn)
Income Tax Act ,1961	Income Tax	Income Tax Appellate Tribunal	2002-05, 2006-15	1,568.07	235.47
Income Tax Act ,1961	Income Tax	High Court of Karnataka	2001-02	1.38	1.38
Income Tax Act ,1961	Income Tax	High Court of Andhra Pradesh	2003-09	131.58	-
Income Tax Act ,1961	Income Tax	Madhya Pradesh High Court	2006-09	129.80	-
Income Tax Act ,1961	Income Tax	Deputy Commissioner of Income Tax	2006-13	29.05	29.05
Income Tax Act ,1961	Income Tax	Rajasthan High Court	2006-10	25.10	-
Income Tax Act ,1961	Income Tax	Supreme Court	2002-04	9.47	-
Income Tax Act ,1961	Income Tax	High Court of Gujarat	2007-10	30.73	0.32
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner (Appeals)	2010-11	3.61	1.47
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner, Sales Tax	2008-09, 2011-12	37.79	27.79
Delhi Sales Tax Act, 1975	Sales Tax	Additional Commissioner (Appeals)	2002-03	1.86	
Gujarat Sales Tax Act, 1969	Sales Tax	State Tax Tribunal	1998-02	8.83	7.04
Gujarat Sales Tax Act, 1969	Sales Tax	Assessing Officer	Apr 06 to Dec 06	1.04	0.83
Kerala Sales tax Act, 1963	Sales Tax	State Tax Tribunal	1997-98	0.05	0.05
Kerala Sales tax Act, 1963	Sales Tax	Deputy Commissioner, Sales Tax	1998-99	0.06	0.06
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	CG Appellate Board	2000-01	0.48	0.31
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	State Tax Tribunal	2003-11	44.84	25.96
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	Deputy Commissioner Appeals	2011-13	6.96	6.96
Madhya Pradesh Commercial Tax Act, 1994	Sales Tax	Madhya Pradesh High Court	2013-14	0.76	0.76
The Jammu & Kashmir General Sales Tax Act, 1962	Sales Tax	Srinagar High Court	2009-16	494.37	494.37
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Additional Commissioner (Appeals)	2003-05	1.24	-
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Joint Commissioner (Appeals)	2002-06, 2007-12	6.20	1.10

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Mn)	Amount Unpaid (₹ in Mn)
Delhi Value Added Tax Act, 2004	Sales Tax	State Tax Tribunal	2007-08	14.05	11.84
Kerala VAT Act, 2003	Sales Tax	Deputy Commissioner Appeals	2009-10, 2011-12, 2014-15	0.98	0.98
Kerala VAT Act, 2003	Sales Tax	Kerala High Court	2011-12	65.47	65.47
Kerala VAT Act, 2003	Sales Tax	Assistant Commissioner, Sales tax	2011-12	1.38	1.38
Kerala VAT Act, 2003	Sales Tax	Intelligence Officer	2005-06, 2012-14	0.59	0.59
Maharashtra Value Added Tax Act, 2002	Sales Tax	Deputy Commissioner, Sales Tax	2011-12	15.15	15.15
Maharashtra Value Added Tax Act, 2002	Sales Tax	Joint Commissioner (Appeals)	2008-09	308.43	308.42
Rajasthan Value Added Tax Act, 2003	Sales Tax	Assistant Commissioner, Sales tax	2011-12	0.01	0.01
The Bihar Value Added Tax Act, 2005	Sales Tax	State Tax Tribunal	2008-14	34.01	22.03
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	State Tax Tribunal	2006-08	0.69	0.58
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Assessing Officer	2008-10, 2011-14	23.34	20.17
Uttar Pradesh Trade Tax Act, 1948 (Uttarakhand Amendment)	Sales Tax	Assessing Officer	2009-10	0.07	-
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	Deputy Commissioner, Sales Tax	2006-07, Apr 12 to Jul 12	2.67	1.54
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	High Court Allahabad	2007-08	0.71	-
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	Additional Commissioner (Appeals)	2009-12	17.56	13.16
The Finance Act, 1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal	2003-15	3,171.60	3,046.42
The Finance Act, 1994	Service Tax	High Court, Mumbai	2006-08, Oct 08 to Sep 09, Oct 09 to Feb 10, Oct 11 to Jun 12	533.74	-
The Finance Act, 1994	Service Tax	Punjab & Haryana High Court	Oct 98 to Mar 99, Apr 02 to Sep 02, 2004-08	46.02	31.91
The Finance Act, 1994	Service Tax	Commissioner of Central Excise & Service Tax	2004-05, Apr 05 to Sep 07	41.98	36.98
The Finance Act, 1994	Service Tax	Commissioner of Central Excise & Service Tax (Appeals)	1999-01, Apr 03 to Sep 03, Jul 06 & Jul 07, Nov 08 to Jan 10, 2005-07, 2008-09	7.49	7.37

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) During the current year, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Khurshed Pastakia

Partner

(Membership No. 31544)

Place : Mumbai

Date : April 28, 2016

Balance Sheet as at March 31, 2016

₹ Mn

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	36,005.09	35,978.44
Reserves and Surplus	4	206,954.04	182,922.98
		242,959.13	218,901.42
Non-Current Liabilities			
Long-Term Borrowings	5	361,583.11	160,064.86
Deferred Tax Liabilities (Net)	6	27,830.88	16,090.76
Other Long-Term Liabilities	7	34,617.19	11,748.94
Long-Term Provisions	8	3,394.20	2,820.65
		427,425.38	190,725.21
Current Liabilities			
Short-Term Borrowings	9	16,455.78	1,513.94
Trade Payables			
- Dues of micro enterprises and small enterprises (Refer Note 41)		14.13	8.32
- Dues of creditors other than micro enterprises and small enterprises (including amounts referred to in Note 43 & 46)		32,767.50	29,693.46
Other Current Liabilities	10	74,940.47	132,927.38
Short-Term Provisions	11	3,516.42	2,988.68
		127,694.30	167,131.78
TOTAL		798,078.81	576,758.41
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	209,194.37	178,980.47
Intangible Assets	12	439,968.80	142,158.59
Capital Work-in-Progress	12	60,388.27	50,794.46
Non-Current Investments	13	16,668.52	16,466.07
Long-Term Loans and Advances	14	34,078.09	38,906.69
		760,298.05	427,306.28
Current Assets			
Current Investments	15	8,321.00	111,675.00
Inventories	16	851.46	582.98
Trade Receivables	17	11,360.58	9,321.90
Cash and Bank Balances	18	7,576.63	15,419.38
Short-Term Loans and Advances	19	9,651.09	11,391.22
Other Current Assets	20	20.00	1,061.65
		37,780.76	149,452.13
TOTAL		798,078.81	576,758.41
Significant Accounting Policies	2		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 28, 2016

For and on behalf of the Board

Arun Thiagarajan
Director

Akshaya Moondra
Chief Financial Officer

Sanjeev Aga
Director

Pankaj Kapdeo
Company Secretary

Himanshu Kapania
Managing Director

Statement of Profit and Loss for the year ended March 31, 2016

₹ Mn

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Service Revenue		357,853.67	312,520.70
Other Operating Income	21	311.78	274.01
Revenue From Operations		358,165.45	312,794.71
Other Income	22	1,834.40	4,523.37
TOTAL		359,999.85	317,318.08
OPERATING EXPENDITURE			
Personnel Expenditure	23	14,644.36	13,587.28
Network Expenses and IT outsourcing cost	24	93,729.02	82,886.64
License Fees and Spectrum Usage Charges	25	41,507.83	35,351.47
Roaming & Access Charges	26	46,436.26	47,313.23
Subscriber Acquisition & Servicing Expenditure	27	30,019.48	25,038.29
Advertisement and Business Promotion Expenditure		4,833.19	4,929.13
Administration & other Expenses	28	8,752.75	6,954.55
		239,922.89	216,060.59
PROFIT BEFORE INTEREST & FINANCE CHARGES, DEPRECIATION, AMORTISATION & TAXES		120,076.96	101,257.49
Interest & Finance Charges	29	17,979.57	9,316.58
Depreciation	12	47,482.87	41,434.95
Amortisation of Intangible Assets	12	14,512.11	7,115.13
PROFIT BEFORE TAX		40,102.41	43,390.83
Provision for Taxation - Current		8,621.82	14,530.99
- Deferred		11,740.12	780.27
- MAT Credit		(6,426.09)	(18.78)
PROFIT AFTER TAX		26,166.56	28,098.35
Earnings Per Share of ₹ 10 each fully paid up (in ₹)	51		
Basic		7.27	7.94
Diluted		7.25	7.91
Significant Accounting Policies	2		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 28, 2016

For and on behalf of the Board

Arun Thiagarajan
Director

Akshaya Moondra
Chief Financial Officer

Sanjeev Aga
Director

Pankaj Kapdeo
Company Secretary

Himanshu Kapania
Managing Director

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION:

Idea Cellular Limited ('the Company'), an Aditya Birla Group entity was incorporated on 14th March, 1995. It is amongst the top three telecom service providers in India. The Company is engaged in the business of Mobility and Long Distance services and has pan India operations.

2. SIGNIFICANT ACCOUNTING POLICIES :

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 2013.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III to the Companies Act, 2013.

b) Fixed Assets

Fixed assets are stated at cost of acquisition and installation less accumulated depreciation / amortization and accumulated impairment losses, if any. Cost is inclusive of freight, duties, levies, any directly attributable cost incurred for bringing the assets to their working condition for intended use and borrowing cost attributable to fixed assets which take substantial period of time to get ready for intended use.

Asset retirement obligations are capitalised based on a constructive obligation as a result of past events, 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. Such costs are depreciated over the remaining useful life of the asset. Gains and Losses arising from retirement or disposal of fixed assets are determined 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 on the date of retirement or disposal.

c) Expenditure during pre-operative period of license

Expenses incurred on project and other charges during construction period are included under pre-operative expenditure (grouped under capital work in progress) and are allocated to the cost of Fixed Assets on the commencement of commercial operations.

d) Depreciation and Amortisation

Depreciation on tangible fixed assets 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 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.

Tangible Assets	Years
Buildings	9 to 30
Network Equipments	7 to 13
Optical Fibre	15
Other Plant and Machineries	5
Office Equipments	3 to 5
Computers	3
Furniture and Fixtures	3 to 10
Motor Vehicles	upto 5
Leasehold improvements	Period of Lease
Leasehold Land	Period of Lease

Intangible Assets are amortised on straight line method as under:-

- Cost of Rights, Licenses amounts (including amounts paid on fixed basis prior to revenue share regime) and amount paid for Spectrum is amortised on straight line method on commencement of operations over the validity period.
- 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.
- Bandwidth / Fibre taken on Indefeasible Right of Use (IRU) is amortised over the agreement period.

Assets costing upto ₹ 5,000/- are depreciated fully in the month of purchase.

e) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis.

f) Foreign currency transactions, forward contracts & other Derivatives

i) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transactions. As per the transitional provisions given in the notification issued by Ministry of Corporate Affairs dated March 31, 2009, the company has opted for the option of adjusting the exchange difference on long term foreign currency monetary items to the cost of the assets acquired out of these foreign currency monetary items. The company has aligned its accounting policy based on this notification and its further amendment.

Exchange difference arising out of fluctuation in exchange rates on settlement / period end is accounted based on the nature of transaction as under:

- Short term foreign currency monetary assets and liabilities: recognised in the Statement of Profit and Loss.

Notes forming part of the Financial Statements

- Long term foreign currency monetary liabilities used for acquisition of fixed assets: adjusted to the cost of the fixed assets and amortised over the remaining useful life of the asset.
- Other Long term foreign currency monetary liabilities: recognised in “Foreign Currency Monetary Item Translation Difference Account” and amortised over the period of liability not exceeding March 31, 2020.

ii) Forward contracts & other Derivatives

Premium / discount amount on forward contract is amortised on period basis related to the contract it pertains to profit or loss arising on cancellation of forward exchange contract is recognised in the period in which the contract is cancelled.

Derivative contracts not covered under Accounting Standard 11 “The Effects of Changes in Foreign Exchange Rates”, entered for hedging foreign currency fluctuations and interest rate risk are marked to market at each reporting date. Loss, if any, on such valuation is recognised in the Statement of Profit & Loss in that period and gain, if any, is not recognised as per the principle of prudence enunciated in Accounting Standard 1, “Disclosure of Accounting Policies”.

g) Taxation

- i) **Current Tax:** Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws. Advance Income Tax and Provision for Current Tax is disclosed in the balance sheet at net as these are settled on net basis.
- ii) **Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is virtual certainty with respect to the reversal of the same in future years.
- iii) **Minimum Alternate Tax (MAT) credit:** MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to

the effect that Company will pay normal Income Tax during the specified period.

h) Retirement Benefits

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss.

Liability for Gratuity as at the year end is provided on the basis of actuarial valuation and funded with the Life Insurance Corporation of India.

Provision in accounts for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the period end.

i) Revenue Recognition and Receivables

Revenue on account of telephony services (mobile & long distance) is recognized net of rebates, discount, service tax, etc. on rendering of services and supply of goods respectively. Recharge fees on recharge vouchers is recognized as revenue as and when the recharge voucher is activated by the subscriber.

Revenue from passive infrastructure is recognized on accrual basis (net of reimbursements) as per the contractual terms on straight line method over the contract period.

Unbilled receivables, represent revenues recognized from the bill cycle date to the end of each month. These are billed in subsequent periods as per the agreed terms.

Debts (net of security deposits outstanding there against) due from subscribers, which remain unpaid for more than 90 days from the date of bill and/or other debts which are otherwise considered doubtful, are provided for.

Provision for doubtful debts on account of interconnect usage charges (IUC), roaming charges and passive infrastructure sharing from other telecom operators is made for dues outstanding more than 180 days from the date of billing other than cases when an amount is payable to that operator or in specific case when management is of the view that the amount is recoverable.

j) Interest and Dividend Income

Interest income is recognized on accrual basis on the outstanding amount and applicable interest rate. Dividend income is accounted for when the right to receive it is established.

k) Investments

Current Investments are stated at lower of cost or fair value in respect of each separate investment. Gain on sale of current Investment is accounted on actual sale of investment and loss, if any, is accounted for as soon as it is ascertained.

Notes forming part of the Financial Statements

Long-term Investments are stated at cost less provision for diminution in value other than temporary, if any.

l) Borrowing Cost

Interest and other costs incurred in connection with the borrowing of funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the fixed assets.

m) License Fees – Revenue Share

With effect from August 1, 1999 the variable license fee computed at prescribed rates of revenue share is being charged to the Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprises adjusted gross revenue as per the license agreement of the license area to which the license pertains.

n) Use of Estimate

The preparation of financial statements in conformity with generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialised.

o) Leases

i) **Operating lease:** Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor is classified as operating lease. Lease payment / income for / from an operating lease is recognised as expense / income in the Statement of Profit and Loss, on a straight-line or other systematic basis over the lease term respectively.

ii) **Finance lease:** Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are capitalised at lower of fair value or the amounts paid under such lease arrangements. Such assets are amortised over the period of lease or estimated life of such assets whichever is less.

p) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise of the net profit after tax, after reducing dividend on Cumulative Preference Shares for the period (irrespective of whether declared, paid or not), as per Accounting Standard 20 on "Earnings Per Share". The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. 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.

q) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in accordance with Accounting Standard-28 on "Impairment of Assets", for the amount by which the asset's carrying amount exceeds its recoverable amount as on the carrying date. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in use. For the purpose of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

r) Provisions and Contingent Liability

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. 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.

s) Share Issue Expenditure

Expenses incurred in connection with issue of equity shares are adjusted against Securities Premium Account.

t) Employee Stock Option

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the intrinsic value of the option is treated as discount and accounted as employee compensation cost over the vesting period.

In respect of re-pricing of existing stock option, the incremental intrinsic value of the option is accounted for as employee cost over the remaining vesting period.

Notes forming part of the Financial Statements

3 SHARE CAPITAL

a) Authorised, Issued, Subscribed and Paid-up Share Capital:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	₹ Mn	Numbers	₹ Mn
Authorised				
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 Mn. 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
Issued, Subscribed and Paid-Up				
Equity Share Capital				
Equity Shares of ₹ 10 each fully Paid-up	3,600,509,378	36,005.09	3,597,844,427	35,978.44
Total	3,600,509,378	36,005.09	3,597,844,427	35,978.44

b) Reconciliation of the number of Shares outstanding:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	₹ Mn	Numbers	₹ Mn
Equity shares outstanding at the beginning of the year	3,597,844,427	35,978.44	3,319,631,761	33,196.32
Equity shares allotted pursuant to exercise of ESOP	2,664,951	26.65	2,493,529	24.93
Qualified Institutional Placement (QIP) and Preferential Allotment of Equity shares	-	-	275,719,137	2,757.19
Equity shares outstanding at the end of the year	3,600,509,378	36,005.09	3,597,844,427	35,978.44

c) 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. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shareholders' holding more than 5% shares of the Company:

Name of Shareholder	Class of Shares	As at March 31, 2016		As at March 31, 2015	
		Numbers	%age	Numbers	%age
Aditya Birla Nuvo Limited	Equity Shares	837,526,221	23.26%	837,526,221	23.28%
Birla TMT Holdings Private Limited	Equity Shares	283,565,373	7.88%	283,565,373	7.88%
Grasim Industries Limited	Equity Shares	171,013,894	4.75%	171,013,894	4.75%
Hindalco Industries Limited	Equity Shares	228,340,226	6.34%	228,340,226	6.35%
P5 Asia Investments (Mauritius) Limited	Equity Shares	245,000,000	6.80%	245,000,000	6.81%
Axiata Investments 2 (India) Limited	Equity Shares	247,265,873	6.87%	247,265,873	6.87%
Axiata Investments 1 (India) Limited	Equity Shares	464,734,670	12.91%	464,734,670	12.92%

Notes forming part of the Financial Statements

e) Share Options granted under the Employee Stock Option Schemes:

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 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 RSUs 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/- 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. As at the end of financial year, details of outstanding options are as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i) Options granted under ESOS 2006				
Options outstanding at the beginning of the year	4,851,573	51.74	7,344,086	51.06
Options granted during the year	-	-	-	-
Options forfeited / lapsed during the year	10,625	62.74	29,250	68.86
Options exercised during the year	2,136,095	50.67	2,453,513	49.53
Options expired during the year	23,812	49.64	9,750	45.55
Options outstanding at the end of the year	2,681,041	52.56	4,851,573	51.74
Options exercisable at the end of the year	2,681,041	52.56	4,851,573	51.74
Range of exercise price of outstanding options (₹)	39.30 - 68.86		39.30 - 68.86	
Remaining contractual life of outstanding options (years)	0.31 - 3.81		0.31 - 4.82	
ii) Options granted under ESOS 2013				
Options outstanding at the beginning of the year	18,657,280	127.16	18,565,428	126.45
Options granted during the year	1,048,615	117.55	559,677	150.10
Options forfeited / lapsed during the year	158,421	126.45	427,809	126.45
Options exercised during the year	528,856	126.45	40,016	126.45
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	19,018,618	126.66	18,657,280	127.16
Options exercisable at the end of the year	8,622,110	126.83	4,494,393	126.45
Range of exercise price of outstanding options (₹)	117.55 - 150.10		126.45 - 150.10	
Remaining contractual life of outstanding options (years)	3.87 - 8.81		4.87 - 8.75	
iii) RSU's granted under ESOS 2013				
Options outstanding at the beginning of the year	8,160,108	10.00	8,105,587	10.00
Options granted during the year	476,851	10.00	254,499	10.00
Options forfeited / lapsed during the year	86,513	10.00	199,978	10.00
Options exercised during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	8,550,446	10.00	8,160,108	10.00
Options exercisable at the end of the year	41,422	10.00	-	-
Range of exercise price of outstanding options (₹)	10.00		10.00	
Remaining contractual life of outstanding options (years)	5.87 - 7.81		6.87 - 7.75	

Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2016	As at March 31, 2015
4	RESERVES AND SURPLUS		
	a) Debenture Redemption Reserve		
	Balance at the beginning of the year	341.78	238.30
	Add: Transfer from Statement of Profit and Loss	141.43	103.48
	Balance at the end of the year	483.21	341.78
	b) Securities Premium Account		
	Balance at the beginning of the year	103,652.02	69,014.71
	Add: Premium on issue of shares allotted pursuant to exercise of ESOP	185.67	147.13
	Add: Premium on QIP and Preferential Allotment of equity shares [Net of share issue expenses ₹ Nil (Previous year ₹ 252.63 Mn.)]	-	34,490.18
	Balance at the end of the year	103,837.69	103,652.02
	c) Outstanding Employee Stock Options		
	Balance at the beginning of the year	431.49	163.67
	Add: Amortised amount of Stock Compensation cost (Net) (Refer Note 42) [#]	317.24	313.29
	Less: Transfer to Securities Premium Account on exercise of Options	37.21	45.47
	Balance at the end of the year	711.52	431.49
	d) General Reserve		
	Balance at the beginning and end of the year	20,863.21	20,863.21
	e) Surplus in Statement of Profit and Loss		
	Balance at the beginning of the year	57,634.48	32,367.32
	Add: Profit during the year	26,166.56	28,098.35
	Less: Transfer to Debenture Redemption Reserve	141.43	103.48
	Less: Proposed Dividend* (Refer Note 55)	2,161.22	2,269.43
	Less: Dividend Distribution Tax on Proposed Dividend* (Refer Note 55)	439.98	458.28
	Balance at the end of the year	81,058.41	57,634.48
	Total	206,954.04	182,922.98

* Proposed Dividend includes ₹ 0.91 Mn. (Previous year ₹ 110.72 Mn.) and Dividend Distribution Tax on proposed dividend includes ₹ 0.19 Mn. (Previous year ₹ 18.82 Mn.) which is paid in the current financial year related to previous financial year for shares issued after balance sheet date and before record date of dividend.

[#] Includes amount transferred to Subsidiaries for options granted to their employees

Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2016	As at March 31, 2015
5	LONG TERM BORROWINGS		
	SECURED LOANS		
	396 (Previous year 396) 9.45% Redeemable Non Convertible Debentures (NCD) of ₹ 10 Mn. each	3,960.00	3,960.00
	(Out of the 1,000 NCDs issued originally, the Company has re-purchased 604 NCDs of ₹ 10 Mn. each, aggregating to ₹ 6,040 Mn. with an option to re-issue the same in future)		
	Term Loans		
	Foreign Currency Loan		
	– From Others	32,444.23	44,142.92
	Rupee Loan		
	– From Banks	4,300.00	11,625.00
	– From Others	-	2,000.00
	Vehicle Loan from Banks	291.69	288.89
	Total	40,995.92	62,016.81
	UNSECURED LOANS		
	Term Loans		
	Foreign Currency Loan		
	– From Banks	8,981.81	4,506.54
	Rupee Loan		
	– From Banks	500.00	-
	Deferred Payment Liabilities towards Spectrum	311,105.38	93,541.51
		320,587.19	98,048.05
	Total	361,583.11	160,064.86

a) Secured Loans are covered by:

Term Loans including current maturities are secured by way of first charge / assignment ranking pari-passu inter se the lenders, as under:

- First charge on all the movable and immovable properties of the Company respectively,
- First charge over all intangible assets (excluding Telecom Licenses and Spectrum) of the Company,
- Assignment of the rights, titles and interest, on deposits, investments, bank accounts, book debts, insurance covers, other general assets, letters of credit and guarantees, provided in favour of the Company.

Foreign Currency Loan amounting to ₹ 5,092.32 Mn. (Previous year ₹ 5,803.22 Mn.) have additional security as first priority charge over certain Telecom Licenses. NCD amounting to ₹ 3,960.00 Mn. (Previous year ₹ 3,960.00 Mn.) have pari passu charge only on the tangible fixed assets of the Company.

Vehicle Loans including current maturities is secured by hypothecation of Vehicles against which the loans have been taken.

b) Repayment Terms of outstanding long term borrowings (excluding current maturities) as on March 31, 2016

Repayment Terms for Secured Foreign Currency Borrowings

Facility 1 (₹ 3,928.31 Mn.) –Balance amount is repayable as follows :

- 9 equal quarterly installments of 4.125% each of the total drawn amount starting April, 2017
- 4 equal quarterly installments of 4.75% each of the total drawn amount starting July, 2019

Facility 2 (₹ 7,007.34 Mn.) -

Tranche 1 - Balance amount is repayable in 5 equal half yearly installments starting September, 2017

Tranche 2 - Balance amount is repayable in 8 equal half yearly installments starting August, 2017

Facility 3 (₹ 5,126.15 Mn.) - Balance amount is repayable in 9 equal half yearly installments starting June, 2017

Facility 4 (₹ 5,857.27 Mn.) -

Tranche 1 - Balance amount is repayable in 6 equal half yearly installments starting April, 2017

Tranche 2 - Balance amount is repayable in 2 equal half yearly installments starting April, 2020

Facility 5 (₹ 4,915.26 Mn.) - Balance amount is repayable in 9 equal half yearly installments starting May, 2017

Notes forming part of the Financial Statements

Facility 6 (₹ 5,609.90 Mn.) - Balance amount is repayable as follows:

- 1) 11 equal half yearly installments starting July, 2017
- 2) 9 equal half yearly installments starting July, 2017

Repayment Terms for Secured INR Borrowings

Facility 1 (₹ 4,300.00 Mn.) - Balance amount is repayable in 4 equal quarterly installments starting June, 2017

NCDs (₹ 3,960.00 Mn.) - Repayable in October, 2019

Vehicles Loans are repayable in equal monthly installments over the term of the loan ranging from 2 to 4 years

Repayment Terms for Unsecured Foreign Currency Borrowings

Facility 1 (₹ 4,205.84 Mn.) - Repayable in 13 equal half yearly installments starting April, 2017

Facility 2 (₹ 4,775.97 Mn.) - Balance amount is repayable in June, 2018

Repayment Terms for Unsecured INR Borrowings

Facility 1 (₹ 500.00 Mn.) - 4 equal quarterly installments of 12.50% each of the total drawn amount starting June, 2017

Repayment Terms for Deferred Payment Liability (DPL)

DPL for Spectrum won in November 2012 (₹ 13,313.98 Mn.) - Balance amount and interest thereon is repayable in 8 equated annual installments starting December, 2017.

DPL for Spectrum won in February 2014 (₹ 73,758.14 Mn.) - Balance amount and interest thereon is repayable in 9 equated annual installments starting March, 2018.

DPL for Spectrum won in March 2015 (₹ 224,033.26 Mn.) - Balance amount and interest thereon is repayable in 10 equated annual installments starting April, 2018.

c) Summary of Repayment terms:

Particulars	Loan repayable in		
	1 to 2 years	2 to 5 years	After 5 years
Secured	13,719.44	25,324.42	1,952.06
Unsecured	2,841.04	38,816.36	278,929.79
Total	16,560.48	64,140.78	280,881.85

- d) During the year, the Company has re-financed Loans worth ₹ 10,586.48 Mn. (Previous year ₹ Nil) with no changes in repayment terms.

		₹ Mn	
Particulars		As at March 31, 2016	As at March 31, 2015
6	DEFERRED TAX LIABILITIES		
	Major components of Deferred Tax are:		
	a) Deferred Tax Liability:		
	Depreciation & Amortisation	30,831.82	18,617.39
	Total Deferred Tax Liability (A)	30,831.82	18,617.39
	b) Deferred Tax Asset:		
	Provision for Doubtful Debts	1,373.07	1,241.52
	Expenses allowable on Payment Basis	1,627.87	1,285.11
	Total Deferred Tax Asset (B)	3,000.94	2,526.63
	Net Deferred Tax Liability (A - B)	27,830.88	16,090.76
7	OTHER LONG TERM LIABILITIES		
	a) Trade Payables	6,107.68	5,428.26
	b) Payables for Capital Expenditure	8.09	56.70
	c) Unearned Income	3,544.00	3,066.73
	d) Deposits from Customers and Others	2,363.84	2,057.55
	e) Interest accrued but not due	22,593.58	1,139.70
	Total	34,617.19	11,748.94

Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2016	As at March 31, 2015
8	LONG TERM PROVISIONS		
a)	Gratuity (Refer Note 44)	1,542.62	1,237.21
b)	Compensated Absences	1,416.59	1,162.99
c)	Asset Retirement Obligation (Refer Note 53)	434.99	420.45
	Total	3,394.20	2,820.65
9	SHORT TERM BORROWINGS		
a)	SECURED LOANS		
	Working Capital Loan from Banks	-	49.87
	(Secured by way of second charge on movable and immovable assets of the company)		
b)	UNSECURED LOANS		
	Working Capital Loan from Banks	11,455.78	1,464.07
	Commercial Papers from Banks	5,000.00	-
	Total	16,455.78	1,513.94
10	OTHER CURRENT LIABILITIES		
a)	Current Maturities of Long Term Debt*	30,490.38	97,175.38
b)	Interest accrued but not due on Borrowings	904.29	739.02
c)	Advance from Customers and Unearned Income	12,597.97	12,558.22
d)	Payables for Capital Expenditure	20,228.94	13,758.44
e)	Dividend Payable	2.52	1.44
f)	Book Bank Overdraft	112.58	137.22
g)	Taxes and Other Liabilities	10,603.79	8,557.66
	Total	74,940.47	132,927.38
	* Previous year includes ₹ 76,475 Mn. prepaid in May 2015		
11	SHORT TERM PROVISIONS		
a)	Compensated Absences	123.23	110.08
b)	Current Tax [Net of Advance Tax of ₹ 7,822.36 Mn. (Previous year ₹ 8,831.24 Mn.)]	793.09	280.43
c)	Proposed Dividend	2,160.31	2,158.71
d)	Dividend Distribution Tax on Proposed Dividend	439.79	439.46
	Total	3,516.42	2,988.68

Notes forming part of the Financial Statements

12. FIXED ASSETS

A - TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		₹ Mn
	As at April 1, 2015	Additions for the year ended March 31, 2016	Disposal / Deletion / Adjustments the year ended March 31, 2016	As at March 31, 2016	Additions for the year ended March 31, 2016	Disposal / Deletion / Adjustments the year ended March 31, 2016	As at March 31, 2016	As at March 31, 2015	
Freehold Land	116.05	-	-	116.05	-	-	116.05	-	116.05
Leasehold Land	779.57	-	-	779.57	15.88	-	752.41	768.29	768.29
Buildings	1,761.91	23.77	36.95	1,748.73	98.63	35.47	911.41	987.75	987.75
Plant & Machinery	360,437.93	76,969.37	6,716.34	430,690.96	46,822.01	6,694.48	224,565.99	206,124.97	175,999.47
Furniture & Fixtures	1,681.31	168.63	51.80	1,798.14	88.60	50.58	1,428.84	369.30	290.49
Office Equipment	3,692.24	250.73	725.29	3,217.68	153.75	725.06	2,862.00	355.68	258.93
Vehicles	1,494.15	342.44	270.96	1,565.63	304.00	237.58	1,001.08	564.55	559.49
TOTAL	369,963.16	77,754.94	7,801.34	439,916.76	47,482.87	7,743.17	230,722.39	209,194.37	178,980.47

Notes:

- Plant & Machinery includes assets held for disposal- Gross Block ₹ 3,126.54 Mn. (Previous year ₹ 735.20 Mn.) and Net Block ₹ 154.96 Mn. (Previous year ₹ 22.34 Mn.).
- Plant & Machinery includes Gross Block of assets capitalised under finance lease ₹ 16,018.52 Mn. (Previous year ₹ 13,875.22 Mn.) and corresponding Accumulated Depreciation being ₹ 11,624.09 Mn. (Previous year ₹ 9,466.60 Mn.).
- Exchange loss amounting to ₹ 1,772.83 Mn. (Previous year exchange loss ₹ 1,181.69 Mn.) capitalised as per transitional provisions of notification under AS-11, issued by the Ministry of Corporate Affairs.
- Depreciation charge for the year includes ₹ 572.48 Mn. (Previous year ₹ 5,450.45 Mn.) due to change in estimated useful life of certain fixed assets.

B - INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Amortisation			Net Block		₹ Mn
	As at April 1, 2015	Additions for the year ended March 31, 2016	Disposal / Deletion / Adjustments the year ended March 31, 2016	As at April 1, 2015	Additions for the year ended March 31, 2016	Disposal / Deletion / Adjustments the year ended March 31, 2016	As at March 31, 2016	As at March 31, 2015	
Entry/License Fees and Spectrum	174,024.15	308,928.83	16,152.12	466,800.86	13,143.07	16,152.12	36,453.55	430,347.31	134,561.55
Computer - Software	5,456.60	1,974.03	435.75	6,994.88	728.11	435.74	5,163.37	1,831.51	585.60
Bandwidth	8,988.66	1,419.47	-	10,408.13	1,977.22	640.93	2,618.15	7,789.98	7,011.44
TOTAL	188,469.41	312,322.33	16,587.87	484,203.87	14,512.11	16,587.86	44,235.07	439,968.80	142,158.59
Grand Total	558,432.57	390,077.27	24,389.21	924,120.63	61,994.98	24,331.03	274,957.46	649,163.17	321,139.06

Notes:

- Computer - Software include Gross Block of assets capitalised under finance lease ₹ 4,020.27 Mn. (Previous year ₹ 2,532.10 Mn.) and corresponding Accumulated Amortisation being ₹ 2,682.02 Mn. (Previous year ₹ 2,175.00 Mn.).
- Deletion of Entry / License Fees and Spectrum pertains to the expired CMTS Licenses on completion of its license tenure of 20 years.
- The remaining amortisation period of license/ Spectrum fees as at March 31, 2016 ranges between 1 to 20 years based on the respective Telecom Service License / Spectrum validity period.

Capital Work in Progress (including ₹ 53,674.15 Mn. (Previous year ₹ 42,313.23 Mn.) towards spectrum and interest and is net of impairment provision of ₹ 4,844.60 Mn. (Previous year ₹ 4,844.60 Mn.))	60,388.27	50,794.46
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Notes forming part of the Financial Statements

12. FIXED ASSETS

C - TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			₹ Mn	
	As at April 1, 2014	Additions for the year ended March 31, 2015	Disposal / Deletion / Adjustments the for year ended March 31, 2015	As at April 1, 2014	Additions for the year ended March 31, 2015	Disposal / Deletion / Adjustments the for year ended March 31, 2015	As at March 31, 2015	Net Block As at March 31, 2015
Freehold Land	116.89	0.75	1.59	-	-	-	-	116.05
Leasehold Land	11.26	768.31	-	3.25	8.03	-	11.28	768.29
Buildings	1,646.95	119.78	4.82	689.33	88.25	3.42	774.16	987.75
Plant & Machinery	327,826.64	36,379.40	3,768.11	147,030.47	40,827.54	3,419.55	184,438.46	175,999.47
Furniture & Fixtures	1,631.34	54.30	4.33	1,303.41	91.26	3.85	1,390.82	290.49
Office Equipment	3,618.69	180.32	106.77	3,410.98	126.67	104.34	3,433.31	258.93
Vehicles	1,397.96	333.09	236.90	845.06	293.20	203.60	934.66	559.49
TOTAL	336,249.73	37,835.95	4,122.52	153,282.50	41,434.95	3,734.76	190,982.69	178,980.47

D - INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Amortisation			₹ Mn	
	As at April 1, 2014	Additions for the year ended March 31, 2015	Disposal / Deletion / Adjustments the for year ended March 31, 2015	As at April 1, 2014	Additions for the year ended March 31, 2015	Disposal / Deletion / Adjustments the for year ended March 31, 2015	As at March 31, 2015	Net Block As at March 31, 2015
Entry/License Fees and Spectrum	103,239.17	70,784.98	-	33,315.22	6,147.38	-	39,462.60	134,561.55
Computer - Software	5,204.39	324.02	71.81	4,541.08	401.73	71.81	4,871.00	585.60
Bandwidth	8,097.86	890.80	-	1,411.20	566.02	-	1,977.22	7,011.44
TOTAL	116,541.42	71,999.80	71.81	39,267.50	7,115.13	71.81	46,310.82	142,158.59
Grand Total	452,791.15	109,835.75	4,194.33	192,550.00	48,550.08	3,806.57	237,293.51	321,139.06

Notes forming part of the Financial Statements

		₹ Mn	
	Particulars	As at March 31, 2016	As at March 31, 2015
13	NON CURRENT INVESTMENTS		
	Long-term Trade Investment (Unquoted) at Cost		
	Investments in Shares of Subsidiaries		
	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	0.50	0.50
	50,000 fully paid equity shares of ₹ 10 each		
	Idea Mobile Commerce Services Limited	299.00	99.00
	29,900,000 (Previous Year 9,900,000) 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		
	Investments in Shares of Associate		
	Aditya Birla Idea Payments Bank Limited	2.45	-
	245,000 (Previous Year Nil) fully paid equity shares of ₹ 10 each		
	Total	16,668.52	16,466.07
14	LONG-TERM LOANS AND ADVANCES		
	(Unsecured, considered good unless otherwise stated)		
	a) Capital Advances	236.76	19,585.61
	b) Deposits and balances with Government Authorities	560.22	409.66
	c) Deposits with Body Corporates and Others (including amount referred to in Note 46)	8,545.71	8,344.26
	d) MAT Credit Entitlement	12,267.58	5,841.49
	e) Advance Income Tax	4,905.60	1,534.95
	f) Other Loans and Advances (including amount referred to in Note 46 & 47)		
	– Considered Good	7,562.22	3,190.72
	– Considered Doubtful	539.81	-
		8,102.03	3,190.72
	Less: Provision for Doubtful Advances	539.81	-
		7,562.22	3,190.72
	Total	34,078.09	38,906.69
15	CURRENT INVESTMENTS		
	Investment in Units of Liquid Mutual Funds (Unquoted) (Refer Note 40)	8,321.00	111,675.00
	Total	8,321.00	111,675.00
16	INVENTORIES		
	Sim and Recharge Vouchers	851.46	582.98
	Total	851.46	582.98

Notes forming part of the Financial Statements

		₹ Mn	
Particulars		As at March 31, 2016	As at March 31, 2015
17	TRADE RECEIVABLES		
a)	Billed Receivables		
	Unsecured - Considered Good		
	Outstanding for a period exceeding six months from due date	290.82	337.15
	Other Receivables	6,597.99	4,988.43
		6,888.81	5,325.58
	Unsecured - Considered Doubtful		
	Outstanding for a period exceeding six months from due date	3,382.13	3,175.45
	Other Receivables	520.46	411.94
		3,902.59	3,587.39
	Less: Provision for Doubtful Debts	3,902.59	3,587.39
		6,888.81	5,325.58
	Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 269.18 Mn. (Previous year ₹ 265.50 Mn.)		
	b) Unbilled Receivables	4,471.77	3,996.32
	Total	11,360.58	9,321.90
18	CASH AND BANK BALANCES		
a)	Cash and Cash Equivalents		
	Cash on hand	18.50	15.91
	Cheques on hand	86.73	76.57
	Balances with banks		
	– In Current Accounts	209.60	272.86
	– In Deposit Accounts	7,200.59	15,000.59
		7,515.42	15,365.93
b)	Other Bank Balances		
	Margin Money with Banks	58.69	52.01
	Earmarked Bank Balance towards Dividend	2.52	1.44
	Total	7,576.63	15,419.38
19	SHORT TERM LOANS AND ADVANCES		
	(Unsecured, considered good unless otherwise stated)		
a)	Advance Income Tax	-	3,180.71
b)	Deposits with Body Corporates and Others (including amount referred to in Note 46)	686.24	396.06
c)	Cenvat Credit	6,764.43	3,128.18
d)	Other Loans and Advances (including amount referred to in Note 46 & 47)		
	– Considered Good	2,200.42	4,686.27
	– Considered Doubtful	-	579.12
		2,200.42	5,265.39
	Less: Provision for Doubtful Advances	-	579.12
		2,200.42	4,686.27
	Total	9,651.09	11,391.22
20	OTHER CURRENT ASSETS		
	Interest Receivable	20.00	1,061.65
	Total	20.00	1,061.65

Notes forming part of the Financial Statements

		₹ Mn	
	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
21	OTHER OPERATING INCOME		
	Liabilities/Provisions no longer required written back	135.26	123.41
	Miscellaneous Receipts	176.52	150.60
	Total	311.78	274.01
22	OTHER INCOME		
	Interest Income	276.64	1,085.55
	Profit on Sale of Current Investments	1,557.76	3,437.82
	Total	1,834.40	4,523.37
23	PERSONNEL EXPENDITURE		
	Salaries and Allowances etc.(including amount referred to in Note 42)	12,759.81	11,990.25
	Contribution to Provident and Other Funds	1,083.22	933.40
	Staff Welfare	586.64	513.12
	Recruitment and Training	214.69	150.51
	Total	14,644.36	13,587.28
24	NETWORK EXPENSES AND IT OUTSOURCING COST		
	Security Service Charges	1,039.94	892.22
	Power and Fuel	24,603.60	23,944.00
	Repairs and Maintenance - Plant and Machinery	10,592.19	9,219.24
	Switching & Cellsites Rent	1,396.12	1,181.82
	Lease Line and Connectivity Charges	6,639.46	5,038.76
	Network Insurance	180.13	118.72
	Passive Infrastructure Charges	43,528.26	37,995.69
	Other Network Operating expenses	1,129.95	849.91
	IT Outsourcing Cost	4,619.37	3,646.28
	Total	93,729.02	82,886.64
25	LICENSE FEES AND SPECTRUM USAGE CHARGES		
	License Fees	25,078.74	21,636.31
	Spectrum Usage Charges	16,429.09	13,715.16
	Total	41,507.83	35,351.47
26	ROAMING & ACCESS CHARGES		
	Roaming Charges	12,986.50	8,355.42
	Access Charges	33,449.76	38,957.81
	Total	46,436.26	47,313.23

Notes forming part of the Financial Statements

		₹ Mn	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	
27 SUBSCRIBER ACQUISITION & SERVICING EXPENDITURE			
Cost of Sim & Recharge Vouchers	1,775.35	1,489.90	
Commission to Dealers	19,040.32	15,236.68	
Customer Verification Expenses	2,771.11	2,495.21	
Collection, Telecalling & Servicing Expenses	5,537.88	5,054.24	
Customer Retention & Customer Loyalty Expenses	894.82	762.26	
Total	30,019.48	25,038.29	
28 ADMINISTRATION & OTHER EXPENSES			
Repairs and Maintenance – Building	83.41	72.44	
– Others	499.13	393.70	
Other Insurance	30.11	24.96	
Non Network Rent	1,162.38	989.75	
Rates and Taxes	158.87	170.68	
Electricity	572.95	535.68	
Printing and Stationery	91.20	90.69	
Communication Expenses	111.78	93.57	
Travelling and Conveyance	1,040.07	872.33	
Bad Debts / Advances written off	1,327.57	1,043.19	
Provision for Bad and Doubtful Debts/Advances	275.89	35.95	
(Gain) / Loss on Foreign Exchange Fluctuation (Net)	465.81	235.50	
Bank Charges	243.72	149.44	
Directors Commission (Previous year includes ₹ 100 Mn. related to FY 2013-2014)	150.01	250.00	
Directors Sitting Fees	3.14	2.72	
Legal and Professional Charges	946.27	696.63	
Audit Fees (Refer Note 35)	46.00	42.50	
Loss/(Gain) on Sale of Fixed Assets/Asset disposed off (Net)	(63.75)	35.36	
CSR Expenses (Refer Note 52)	184.69	-	
Miscellaneous Expenses*	1,423.50	1,219.46	
Total	8,752.75	6,954.55	
* Previous year includes contribution of ₹ 150 Mn. to General Electoral Trust (the 'Trust') of the Aditya Birla Group. As per governing charter of the Trust, the contributions received by the Trust from various Companies in the Aditya Birla Group, are used for contribution to be made to Political Parties / for Political purposes, as may be decided by the Board of Independent Trustees of the said Trust.			
29 INTEREST & FINANCE CHARGES			
Interest			
– On Fixed Period Loan (Net of ₹ 345.02 Mn. capitalised, Previous year ₹ NIL Mn.)	4,297.02	4,935.71	
– On Deferred Payment Liability towards Spectrum (Net of ₹ 18,479.47 Mn. capitalised, Previous year ₹ 5,232.52 Mn.)	13,034.59	3,574.92	
– Others	251.46	330.03	
Finance Charges	396.50	475.92	
Total	17,979.57	9,316.58	

Notes forming part of the Financial Statements

30. During the year, the CMTS Licenses along with bundled spectrum which were issued twenty years back expired on completion of the licensed tenure in the service areas of Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh, Kerala, Haryana and Uttar Pradesh (West). The Department of Telecommunications (DOT) had, in the meanwhile allotted the spectrum won by the successful bidders of the March 2015 auctions (including the company) for a period of twenty (20) years and linked the use of the allotted spectrum to the expiring dates of the bundled spectrum in the service areas where the initial licenses were expiring as mentioned above. During the year, the Company had also obtained the required authorization for access services under Unified License (UL) which enabled it to use the allotted spectrum won, thus shifting out from the earlier administered spectrum in all the above service areas seamlessly.

The company has also launched its 3G services in the Kolkata service area and 4G LTE services in the ten service areas of Maharashtra, Madhya Pradesh, Andhra Pradesh, Kerala, Karnataka, Punjab, Tamilnadu, Haryana, Odisha and NESAs using the spectrum that it had additionally acquired during the February 14 and March 15 auctions.

The above has resulted in an addition to the Intangible fixed Assets (including CWIP relating to the spectrum of Punjab and Karnataka service areas whose CMTS licenses along with bundled spectrum are expiring in April 2016) during the year by ₹ 301,375.25 Mn. along with the Deferred Payment Liability of ₹ 224,033.26 Mn. which is reflected under Long term Borrowings. Also, deletions pertaining to the above mentioned expired CMTS licenses of ₹ 16,152.12 Mn. (Written Down Value ₹ NIL) have been recorded in Intangible Fixed assets.

31. Aditya Birla Nuvo Limited (ABNL) along with the company has incorporated a new company named Aditya Birla Idea Payments Bank Limited (ABIPBL) on the 19th of February, 2016 to set up a Payments Bank pursuant to the in-principle approval issued by the Reserve Bank of India (RBI) for the same to ABNL. The Company owns 49% equity interest in ABIPBL and has invested an initial capital of ₹ 2.45 Mn. as on 31st March, 2016.

32. 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., 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.

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 - ₹ 30,501.90 Mn. (Previous year ₹ 35,520.91 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 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.

B. The Company has a contingent obligation to buy compulsorily convertible preference shares issued by Aditya Birla Telecom Limited (ABTL), a subsidiary of the Company, from the holder at a mutually agreed consideration based on the fair value, in the event the holder exercises exit rights.

C. Other Matters:

Particulars	₹ Mn	
	As on March 31, 2016	As on March 31, 2015
Income Tax Matters not acknowledged as debts (see a. below)	63,676.98	66,566.75
Sales Tax and Entertainment Tax Matters not acknowledged as debts (see b. below)	1,508.10	994.34
Service Tax Matters not acknowledged as debts (see c. below)	3,800.83	1,364.22
Entry Tax and Customs Matters not acknowledged as debts (see d. below)	302.24	386.57
Other claims not acknowledged as debts (see e. below)	2,404.74	2,370.12

Notes forming part of the Financial Statements

a. 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 pre-paid margin allowed to prepaid distributors & roaming settlements, disallowance of interest proportionate to interest free advances given to wholly owned subsidiaries etc.
- Appeals filed for tax demand on the net value of assets and liabilities vested with the company consequent to High Court approved de-merger of telecom undertaking from its wholly owned subsidiary.
- Appeal filed for tax demand on difference between revalued figure of Investment in Indus held through a wholly owned subsidiary and book value of Passive Infrastructure assets transferred to stepdown subsidiary through a High Court approved scheme.

b. 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.
- In one State, Telecom services are included in the definition of goods/services and demands raised on revenue by State tax authorities. Constitutional validity of such levy has been challenged in J&K High Court.
- 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.

c. Service Tax:

Service Tax demands mainly relate 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.

d. Entry Tax:

In certain states, Entry Tax is being demanded on receipt of material from outside the state. However, the Company has challenged the constitutional validity of the levy.

e. Other claims not acknowledged as debts :

Mainly include consumer forum cases, miscellaneous disputed matters with local Municipal Corporation, Electricity Board and others.

33. Details of Guarantees given

- Bank Guarantees given ₹ 96,839.65 Mn. (Previous year ₹ 86,472.12 Mn.)

34. Capital and other Commitments:

Estimated amount of commitments as on March 31, 2016 towards:

- Spectrum won in auctions ₹ Nil (Previous year ₹ 282,025.25 Mn.)
- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 19,815.03 Mn. (Previous year ₹ 27,661.71 Mn.)
- Long term contracts remaining to be executed including early termination commitments (if any) are ₹ 14,800.13 Mn. (Previous year ₹ 17,866.22 Mn.)

35. Auditors' Remuneration:

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Statutory Audit Fees	46.00	42.50
Certification (included in Legal and Professional Charges)	13.80	9.75
Out of pocket expenses (included in Misc. Expenses)	0.71	0.33
Total Remuneration*	60.51	52.58

* Previous year excludes ₹ 8 Mn. paid to Statutory Auditors for attestation related to QIP included under share issue expenses netted off from Securities Premium.

Notes forming part of the Financial Statements

36. CIF Value of Imports:

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Capital Goods (including spares)	32,594.74	13,195.57

37. Expenditure in Foreign Currency (on Accrual basis)

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest and Finance Charges	1,828.45	2,083.11
Travel	7.72	3.58
Professional and Consultancy Fees	9.26	14.67
International Roaming Charges	416.91	569.45
Termination / Carriage Charges	1,618.64	1,477.06
Others	440.20	303.99

38. Earning in Foreign Currency (on accrual basis):

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
International Roaming Charges	564.88	691.82
Termination / Carriage Charges	6,919.62	4,163.11

39. Amount Remitted in Foreign Currency on account of Dividend:

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Number of Non- Resident Equity Shareholders	2	2
Number of Shares held by them	712,000,543	712,000,543
Amount Remitted as Dividend (₹ Mn.)	427.20	284.80
Year to which Dividend relates	FY 2014-15	FY 2013-14

40. Details of Current Investments:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Qty in '000	₹ in Mn.	Qty in '000	₹ in Mn.
	Units	Value	Units	Value
Birla Sun Life Cash Plus - Direct- Growth	15,266.64	3,711.00	200,491.25	45,000.00
DSP Black Rock Liquidity Fund - Direct- Growth	-	-	237.46	475.00
Reliance Liquidity Fund - Direct - Growth	-	-	1,423.46	3,000.00
Birla Sun Life Floating Rate Fund - STP - Direct - Growth	-	-	80,568.62	15,000.00
HDFC Cash Management Fund - Savings Plan - Direct - Growth	-	-	119,840.03	3,500.00
ICICI Prudential Liquid -Direct- Growth	-	-	179,708.15	37,200.00
JP Morgan India Liquid Fund - Direct - Growth	-	-	55,087.31	1,000.00
IDFC Cash Fund - Direct - Growth	135.89	250.00	588.42	1,000.00
Tata Liquid Fund - Direct - Growth	89.48	250.00	387.34	1,000.00
DWS Insta Cash Plus Fund - Direct - Growth	-	-	5,506.14	1,000.00
Kotak Floater - ST - Direct- Growth	-	-	1,526.50	3,500.00

Notes forming part of the Financial Statements

Particulars	As at March 31, 2016		As at March 31, 2015	
	Qty in '000	₹ in Mn.	Qty in '000	₹ in Mn.
	Units	Value	Units	Value
HDFC Liquid Fund - Direct - Growth	334.71	1,000.00	-	-
Religare Invesco Liquid Fund - Direct - Growth	479.94	1,000.00	-	-
Reliance Liquid Fund - TP - Direct - Growth	270.89	1,000.00	-	-
ICICI Prudential Money Market Fund - Direct- Growth	4,775.70	1,000.00	-	-
Birla Sun Life Savings Fund- Direct- Growth	374.38	110.00	-	-
Total	21,727.63	8,321.00	645,364.68	111,675.00

41. Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	₹ Mn	
	2015-16	2014-15
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables.	14.13	8.32
(ii) The interest due on above.	Nil	Nil
The total of (i) & (ii)	14.13	8.32
b) The amount of interest paid by the buyer in terms of section 16 of the Act.	Nil	Nil
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
d) The amounts of interest accrued and remaining unpaid at the end of financial year	Nil	Nil
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.	Nil	Nil

42. Personnel Expenditure includes ₹ 316.66 Mn. (Previous year ₹ 313.29 Mn.), being the amortisation of intrinsic value of ESOPs for the year ending March 31, 2016.

Had the compensation cost for the Company's stock based compensation plan been determined as per fair value approach (calculated using Black & Scholes Option Pricing Model), the Company's net income would be lower by ₹ 296.69 Mn. (Previous year ₹ 542.82 Mn.) and earnings per share would be as indicated below:

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Net profit after tax	26,166.56	28,098.35
Add: Total stock-based employee compensation expense determined under intrinsic value base method	316.66	313.29
Less: Total stock-based employee compensation expense determined under fair value base method	613.35	856.11
Adjusted net profit	25,869.87	27,555.53
Basic Earnings Per Share (in ₹)		
– As Reported	7.27	7.94
– Adjusted	7.19	7.79
Diluted Earnings Per Share (in ₹)		
– As Reported	7.25	7.91
– Adjusted	7.17	7.76

Notes forming part of the Financial Statements

The fair value of each option 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	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II
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

Particulars	ESOS 2013					
	Tranche I		Tranche II		Tranche III	
	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units
Dividend yield (%)	0.24	0.24	0.40	0.40	0.51	0.51
Expected life	6 yrs 6 months	5 yrs 6 months	6 yrs 6 months	5 yrs 6 months	6 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.81 -8.95	8.91	8.04 - 8.06	8.05	7.42 – 7.66	7.60
Volatility (%)	34.13–44.81	43.95	34.28–42.65	35.66	34.70 – 35.33	34.24

43. Details of Foreign Currency Exposures:

A. Hedged by a Derivative Instrument:

Particulars	Amount in Mn	
	As at March 31, 2016	As at March 31, 2015
Foreign Currency Loan		
Foreign Currency Loan in USD	254.05	528.21
Equivalent INR of Foreign Currency Loan	18,996.80	33,695.31
Trade Payables and Other Current Liabilities		
Trade Payables in USD	61.79	32.50
Interest accrued but not due on Foreign Currency Loans in USD	0.41	1.56
Equivalent INR of Trade Payables and Other Current Liabilities	4,248.96	2,153.38

B. Not hedged by a Derivative Instrument or otherwise:

Particulars	Amount in Mn	
	As at March 31, 2016	As at March 31, 2015
Foreign Currency Loan		
Foreign Currency Loan in USD	473.75	473.75
Equivalent INR of Foreign Currency Loan	31,425.32	29,652.49
Trade Payables and Other Current Liabilities		
Trade Payables in USD	60.35	40.50
Trade Payables in EURO	0.12	0.33
Trade Payables in GBP	-	0.02
Interest accrued but not due on Foreign Currency Loans in USD	3.34	4.72
Equivalent INR of Trade Payables and Other Current Liabilities	4,233.47	2,855.07

Notes forming part of the Financial Statements

Particulars	Amount in Mn	
	As at March 31, 2016	As at March 31, 2015
Trade Receivables:		
Trade Receivables in USD	13.53	15.37
Trade Receivables in EURO	0.29	0.08
Equivalent INR of Trade Receivables in Foreign Currency	919.48	969.42

44. Employee Benefits:

- a) **Defined Benefit Plan:** The Company provides for its liability towards gratuity as per the actuarial valuation. The present value of the accrued gratuity minus fund value is provided in the books of accounts.

		₹ Mn	
Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	Assumptions		
	Discount Rate	8.10%	8.00%
	Expected return on Plan Assets	9.00%	9.00%
	Salary Escalation	8.00%	7.00%
2	Table showing changes in present value of Obligations		
	Present value of obligations as at beginning of year	1,449.61	1,043.15
	Interest cost	129.57	106.88
	Current Service Cost	203.31	157.11
	Benefits Paid	(60.33)	(47.33)
	Actuarial (Gain)/Loss on obligations	216.89	189.80
	Past Service Cost	-	-
	Present value of obligations as at end of year	1,939.05	1,449.61
3	Table showing changes in the fair value of Plan Assets		
	Fair value of plan assets as at beginning of year	212.40	231.57
	Expected return on plan assets	17.70	19.87
	Contributions	217.22	9.52
	Benefits paid	(60.33)	(47.33)
	Actuarial Gain / (Loss) on Plan assets	9.44	(1.23)
	Fair value of plan assets at the end of year	396.43	212.40
	Funded Status	1,542.62	1,237.21
	Actual return on plan assets	27.14	18.65
4	Actuarial Gain/Loss recognized		
	Actuarial Gain/(Loss) for the year –Obligation	(216.89)	(189.80)
	Actuarial (Gain)/Loss for the year - Plan Assets	(9.44)	1.23
	Total (Gain)/Loss for the year	207.45	191.03
	Actuarial (Gain)/Loss recognized in the year	207.45	191.03
5	Amounts to be recognized in the Balance Sheet		
	Present value of obligations as at the end of the year	1,939.05	1,449.61
	Fair value of plan assets as at the end of the year	396.43	212.40
	Funded status	1,542.62	1,237.21
	Net Asset/(Liability) recognized in Balance Sheet	(1,542.62)	(1,237.21)

Notes forming part of the Financial Statements

		₹ Mn	
Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
6	Expenses Recognised in Statement of Profit & Loss		
	Current Service cost	203.31	157.11
	Interest Cost	129.57	106.88
	Expected return on plan assets	(17.70)	(19.88)
	Net Actuarial (Gain)/Loss recognised in the year	207.45	191.03
	Past Service Cost	-	-
	Expenses recognised in Statement of Profit & Loss	522.63	435.14
7	Investment Details of Plan Assets (% allocation)		
	Insurer managed funds*	100%	100%

		₹ Mn				
Sr. No.	Particulars	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
8	Experience Adjustments					
	Defined benefit obligation	1,939.05	1,449.61	1,043.15	944.52	466.98
	Plan Assets	396.43	212.40	231.57	211.83	203.96
	Surplus/ (Deficit)	(1,542.62)	(1,237.21)	(811.58)	(732.69)	(263.02)
	Experience Adjustments on plan liabilities	(7.48)	(11.14)	32.42	112.89	24.08
	Experience Adjustments on plan assets	9.44	(1.23)	1.73	1.96	2.59

*The funds are managed by LIC and LIC does not provide breakup of plan assets by investment type.

The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- b) **Defined Contribution Plan** : During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

		₹ Mn	
Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Employers' Contribution to Provident & Pension Fund		441.69	390.70
Employers' Contribution to Superannuation Fund		77.50	64.49

45. Segment Reporting

1. Primary Segments:

The Company operates in two business segments:

- Mobility Services: providing GSM based mobile and related telephony services.
- International Long Distance (ILD): providing international long distance services.

Transactions between segments are accounted on agreed terms on arm's length basis and have been eliminated at the company level.

2. Secondary Segment:

The Company caters only to the needs of Indian market representing a singular economic environment with similar risks and rewards and hence there are no reportable geographical segments.

Primary Business Information (Business Segments) for the year ended March 31, 2016.

Notes forming part of the Financial Statements

Particulars	Business Segments		Elimination	Total
	Mobility	ILD		
Revenue				
External Revenue	351,181.86	6,983.59	-	358,165.45
Inter-segment Revenue	2,208.90	1,419.71	(3,628.61)	-
Total Revenue from Operations	353,390.76	8,403.30	(3,628.61)	358,165.45
Segment Result	55,478.75	768.83	-	56,247.58
Other Income				1,834.40
Interest & Financing Charges				(17,979.57)
Profit before Tax				40,102.41
Provision for Tax (Net)				(13,935.85)
Profit after Tax				26,166.56
Other Information				
Segment Assets	742,879.78	1,476.18	(556.02)	743,799.94
Unallocated Corporate Assets	-	-	-	54,278.87
Total Assets				798,078.81
Segment Liabilities	523,701.31	739.80	(556.02)	523,893.09
Unallocated Corporate Liabilities	-	-	-	31,266.59
Total Liabilities				555,119.68
Capital Expenditure	399,614.13	56.95	-	399,671.08
Depreciation & Amortisation	61,958.24	36.74	-	61,994.98

Primary Business Information (Business Segments) for the year ended March 31, 2015.

Particulars	Business Segments		Elimination	Total
	Mobility	ILD		
Revenue				
External Revenue	308,423.97	4,370.74	-	312,794.71
Inter-segment Revenue	1,441.81	1,440.37	(2,882.18)	-
Total Revenue from Operations	309,865.78	5,811.11	(2,882.18)	312,794.71
Segment Result	47,433.28	750.76	-	48,184.04
Other Income				4,523.37
Interest & Financing Charges				(9,316.58)
Profit before Tax				43,390.83
Provision for Tax (Net)				(15,292.48)
Profit after Tax				28,098.35
Other Information				
Segment Assets	417,544.87	1,194.34	(482.75)	418,256.46
Unallocated Corporate Assets	-	-	-	158,501.95
Total Assets				576,758.41
Segment Liabilities	338,877.38	491.56	(482.75)	338,886.19
Unallocated Corporate Liabilities	-	-	-	18,970.80
Total Liabilities				357,856.99
Capital Expenditure	46,803.67	25.31	-	46,828.98
Depreciation & Amortisation	48,513.60	36.48	-	48,550.08

Notes forming part of the Financial Statements

46. Related Party Transactions

As per Accounting Standard-18 on “Related Party Disclosures”, related parties of the Company are disclosed below:

A. List of related parties:

Promoters

Hindalco Industries Limited (Hindalco)

Grasim Industries Limited (Grasim)

Aditya Birla Nuvo Limited (ABNL)

Birla TMT Holdings Pvt. Limited (Birla TMT)

Subsidiaries

Idea Telesystems Limited (ITL)

Aditya Birla Telecom Limited (ABTL)

Idea Cellular Services Limited (ICSL)

Idea Cellular Infrastructure Services Limited (ICISL)

Idea Mobile Commerce Services Limited (IMCSL)

Associate

Aditya Birla Idea Payments Bank Limited (ABIPBL)

Joint Venture of Subsidiary (JV)

Indus Towers Limited (Indus)

Entities having significant influence

Axiata Investments 1 (India) Ltd. (AI1)

Axiata Investments 2 (India) Ltd. (AI2)

Axiata Group Berhad (AGB)

Key Management Personnel (KMP)

Mr. Himanshu Kapania, MD

Mr. Akshaya Moondra, CFO

Notes forming part of the Financial Statements

B. Transactions with Related Parties

Particulars	Promoters			JV		Subsidiaries				Associate		Entities having significant Influence			KMP
	Hindalco	Grasim	ABNL	Birla TMT	Indus	ICSL	ICISL	ABTL	ITL	IMCSL	ABPBL	AI1	AI2	AGB	
Remuneration															119.74 (132.22)
Security Deposit Given							158.85 (-)		- (2.39)						
Security Deposit Refunded by					- (3,571.00)										
Purchase of Fixed Assets							- (0.29)								
Issue of Equity Shares													- (7,500.0)		
Investments										200.00 (54.00)	2.45 (-)				
Purchase of Service /Goods	1.66 (0.25)	20.50 (0.10)			35,830.12 (32,748.59)	1,508.23 (1,329.85)	1,335.57 (1,286.86)	3.62 (3.28)	94.87 (90.60)						
Sale of Service/Goods	27.21 (28.71)	22.23 (19.01)	28.76 (22.34)		4.77 (2.03)	32.75 (21.44)				0.34 (0.30)				0.07 (0.02)	
Director's Commission														1.58 (1.27)	
Unsecured Loans repaid by						- (162.46)		- (1,967.08)		- (1,513.52)					
Interest on Unsecured loans / ICD Given										- (0.72)					
Expense incurred by Company on behalf of	0.14 (0.35)	0.11 (0.09)	0.35 (0.29)		- (0.18)	3.25 (3.15)	61.35 (75.99)		4.28 (4.65)	0.24 (-)	14.38 (-)				
Expenses incurred on Company's behalf by			- (0.02)												
Rent Expense										9.59 (9.57)					
Commission										2.68 (-)					
Interest paid on NCD															
Inter Corporate Deposit (ICD) repaid by												- (10.20)			
Dividend paid on Equity Shares	137.00 (91.34)	102.61 (68.41)	502.52 (335.01)	170.14 (113.43)								278.84 (185.89)	148.36 (98.91)	0.25 (0.15)	
Sitting Fees													0.20 (-)		

(Figures in bracket are for the year ended March 31, 2015)

Notes forming part of the Financial Statements

C. Balances Outstanding as on March 31, 2016

Particulars	Nature of Relationship										₹ Mn
	Promoters			JV		Subsidiaries			Associate		
	Hindalco	Grasim	ABNL	Indus	ICSL	ICISL	ABTL	ITL	IMCSL	ABIPBL	
Deposit Given (grouped under Deposits with Body Corporates and Others)											
Trade Receivables	1.75 (2.69)	0.88 (0.66)	0.95 (3.24)	1000.00 (1,000.00)		6.27 (5.38)			- (0.01)		
Remuneration Payable											50.71 (63.57)
Deposit Given					158.85 (-)			2.39 (2.39)			
Trade Payables	0.78 (0.12)	16.25 (0.06)		3,682.95 (2,969.93)	87.28 (71.57)	19.90 (119.59)		- (1.95)	0.93 (-)		
Other Receivable		0.05 (-)			4.62 (-)				3.53 (-)	14.38 (-)	
Other Payable			0.02 (-)								
9.45% Redeemable NCD	100.00 (100.00)										
Interest accrued but not due on the above NCD's	3.92 (3.91)										

(Figures in bracket are as of March 31, 2015)

Notes forming part of the Financial Statements

- 47. Disclosure of amounts at the year end and the maximum amount of loans & advances outstanding during the year as per the requirement of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

₹ Mn				
Name of the Party	Outstanding as at March 31, 2016	Maximum amount outstanding during the current year	Outstanding as at March 31, 2015	Maximum amount outstanding during the previous year
Subsidiary :				
Aditya Birla Telecom Limited (ABTL)	-	-	-	1,513.52
Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	1,967.08

- 48.** 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 & Loss.

49. Operating Lease: As a 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.

The future minimum lease payments in respect of the above are as follows.

₹ Mn			
Particulars	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum Lease payments	42,264.91 (36,965.54)	122,015.51 (120,216.08)	48,364.15 (47,163.75)

(Figures in bracket are as of March 31, 2015)

Lease payments amounting to ₹ 46,030.97 Mn. (Previous year ₹ 40,134.33 Mn.) are included in rental and passive infrastructure expenses in the statement of profit and loss during the current year.

Operating Lease: As a Lessor

The Company has leased certain Optical Fibre Cables (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.

The future minimum lease receivables in respect of the above are as follows:

₹ Mn			
Particulars	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum Lease receivables	1,404.54 (757.18)	5,257.19 (2,108.17)	5,140.92 (2,136.62)

(Figures in bracket are as of March 31, 2015)

- 50.** The Company has a composite IT outsourcing agreement where in fixed assets and services related to IT has been supplied by the vendor. Such fixed assets received have been accounted for as a 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

51. Basic & Diluted Earnings Per Share

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Nominal value of equity shares (₹)	10/-	10/-
Profit after Tax (₹ Mn.)	26,166.56	28,098.35
Profit attributable to equity shareholders (₹ Mn.)	26,166.56	28,098.35
Weighted average number of equity shares outstanding during the year	3,599,336,054	3,536,845,592
Basic Earnings Per Share (₹)	7.27	7.94
Dilutive effect on weighted average number of equity shares outstanding during the year	9,670,230	15,338,212
Weighted average number of diluted equity shares	3,609,006,284	3,552,183,804
Diluted Earnings Per Share (₹)	7.25	7.91

52. Expenditure for Corporate Social Responsibility:

- a) Gross amount required to be spent by the company during the year is ₹ 548.87 Mn.
b) Amount spent during the year on

Sr. No	Particulars	Amount Paid	Amount Payable	₹ Mn Total
1	Healthcare	62.00	-	62.00
2	Education	87.93	25.10	113.03
3	Sanitation	9.65	-	9.65
4	Others	-	0.01	0.01
	Total	159.58	25.11	184.69

53. Asset Retirement Obligation:

The Company installs equipments on leased premises and lays down optical fibre cables (OFC) to provide seamless connectivity to its customers. In certain cases, the Company may have to incur some cost to remove such equipment and OFC. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Balance	420.45	420.45
Additional Provision	14.54	-
Utilisation	-	-
Closing Balance	434.99	420.45

54. The Company is engaged in the business of providing infrastructural facilities and accordingly, 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. However, the details of such loans made and guarantees given are provided in Note 46. Please refer Note 13 for investments made by the Company.

55. The Board of Directors has recommended a dividend at the rate of ₹ 0.60 per share (Previous Year ₹ 0.60) of face value of ₹ 10/- aggregating ₹ 2,600.10 Mn. including ₹ 439.79 Mn. Dividend Distribution Tax (Previous Year ₹ 2,598.17 Mn., including ₹ 439.46 Mn. Dividend Distribution Tax) for the year ended 31st March 2016. The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

56. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.

For and on behalf of the Board

Arun Thiagarajan
Director

Sanjeev Aga
Director

Himanshu Kapania
Managing Director

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Place : Mumbai
Date : April 28, 2016

Cash Flow Statement for the year ended March 31, 2016

₹ Mn

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A) Cash Flow from Operating Activities		
Net Profit after Tax	26,166.56	28,098.35
Adjustments For		
Depreciation	47,482.87	41,434.95
Amortisation of Intangible Assets	14,512.11	7,115.13
Interest and Financing Charges	17,979.57	9,316.58
Profit on sale of Current Investments	(1,557.76)	(3,437.82)
Bad Debts / Advances written off	1,327.57	1,043.19
Provision for Bad & Doubtful Debts/Advances	275.89	35.95
Employee Stock Option Cost	316.66	313.29
Provision for Gratuity & Compensated Absences	572.16	670.05
Provision for Deferred Tax	11,740.12	780.27
Provision for Current Tax (Net of MAT Credit entitlement)	2,195.73	14,512.21
Liabilities / Provisions no longer required written back	(135.26)	(123.41)
Interest Income	(276.64)	(1,085.55)
Loss/(Gain) on sale of Fixed Assets/ Assets disposed off	(63.75)	35.36
	94,369.27	70,610.20
Operating Profit before Working Capital Changes	120,535.83	98,708.55
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(3,063.02)	(2,704.15)
(Increase)/Decrease in Inventories	(268.48)	(95.60)
(Increase)/Decrease in Other Current and Non Current Assets	(7.76)	434.06
(Increase)/Decrease in Long Term and Short Term Loans and Advances	(7,139.15)	3,855.58
Increase /(Decrease) in Trade Payables, Other Current and Non Current Liabilities and Provisions	6,739.30	4,138.15
	(3,739.11)	5,628.04
Cash generated from Operations	116,796.72	104,336.59
Tax paid (including TDS) (net)	(8,299.10)	(9,592.70)
Net Cash from / (used in) Operating Activities	108,497.62	94,743.89
B) Cash Flow from Investing Activities		
Purchase of Fixed assets & Intangible assets (including CWIP)	(71,173.22)	(38,430.25)
Payment towards Spectrum and Licenses*	(58,081.99)	(19,350.00)
Proceeds from sale of Fixed assets	207.51	283.34
Additional Investment in Idea Mobile Commerce Services Limited	(200.00)	(54.00)
Investment in Aditya Birla Idea Payments Bank Limited	(2.45)	-
Profit on sale of Current Investments and Interest received	2,876.05	3,496.37
Net Cash from / (used in) Investing Activities	(126,374.10)	(54,054.54)

Cash Flow Statement for the year ended March 31, 2016

₹ Mn		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C) Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital (net of share issue expenses)	175.11	37,373.96
Proceeds from Long Term Borrowings*	347.11	80,825.86
Repayment of Long Term Borrowings	(98,310.23)	(20,995.52)
Proceeds from Short Term Borrowings	16,412.75	1,352.58
Repayment of Short Term Borrowings	(1,672.82)	(5,932.18)
Payment of Dividend, including Dividend Tax	(2,598.19)	(1,682.26)
Payment of Interest and Finance Charges	(7,681.76)	(5,498.67)
Net Cash from / (used in) Financing Activities	(93,328.03)	85,443.77
Net Increase / (Decrease) in Cash and Cash Equivalents	(111,204.51)	126,133.12
Cash and Cash Equivalents at the beginning	127,040.93	907.81
Cash and Cash Equivalents at the end	15,836.42	127,040.93

* Excluding deferred payment liability towards spectrum won in auction, being non cash transaction

Notes to Cash flow Statement for the year ended March 31, 2016

1. Cash and Cash Equivalents include the following Balance Sheet amounts

Cash on hand	18.50	15.91
Cheques on hand	86.73	76.57
Balances with banks		
- In Current Accounts	209.60	272.86
- In Deposit Accounts	7,200.59	15,000.59
Investment in Units of Liquid Mutual Funds	8,321.00	111,675.00
	<u>15,836.42</u>	<u>127,040.93</u>

2. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 28, 2016

For and on behalf of the Board

Arun Thiagarajan
Director

Akshaya Moondra
Chief Financial Officer

Sanjeev Aga
Director

Pankaj Kapdeo
Company Secretary

Himanshu Kapania
Managing Director

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Idea Cellular Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IDEA CELLULAR LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the Note 35A(i) to the consolidated financial statements which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunication (DoT) demand notices for one time spectrum charges.

Our Opinion is not modified in respect of this matter.

Other Matters

- a) We did not audit the financial statements of Indus Towers Limited, a jointly controlled entity of AdityaBirla Telecom Limited (Subsidiary of the Company), whose financial statements reflect Group's share of total assets (Net) of ₹ 18,596.32 Mn as at 31st March, 2016, total revenues of ₹ 25,623.20 Mn and net cash flows amounting to ₹ 35.20 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- b) The consolidated financial statements do not include the Group's share of net profit/loss for the year ended 31st March, 2016 in respect of Aditya Birla Idea Payments Bank Limited, an associate which has been incorporated on 19th February, 2016. The associate is required to prepare its first full financial statements for the period ending on 31st March, 2017. According to the information and explanations given to us by the Management, the Group's share of net profit/loss, if any, would be immaterial.

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 purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies, and jointly controlled company incorporated in India is disqualified as on 31st March, 2016

from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and jointly controlled company incorporated in India internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity. Refer Notes 35 A and 35 C to the consolidated financial statements.
 - The Group and its jointly controlled entity did not have any material foreseeable losses on long term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled company incorporated in India.

For DELOITTE HASKINS & SELLS LLP

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

Khurshed Pastakia

Partner
(Membership No. 31544)

Place : Mumbai
Date : April 28, 2016

Annexure "A" to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Idea Cellular Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies and jointly controlled company, 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 and jointly controlled company, 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 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 (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of jointly controlled company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and jointly controlled company, which

are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a jointly

controlled company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Khurshed Pastakia

Partner

(Membership No. 31544)

Place: Mumbai

Date : April 28, 2016

Consolidated Balance Sheet as at March 31, 2016

₹ Mn

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	36,005.09	35,978.44
Reserves and Surplus	4	221,651.07	194,294.70
		257,656.16	230,273.14
Compulsorily Convertible Preference Shares (issued by Subsidiary Company)		19.25	19.25
Non-Current Liabilities			
Long-Term Borrowings	5	365,684.90	166,031.82
Deferred Tax Liabilities (Net)	6	30,713.68	19,015.24
Other Long-Term Liabilities	7	32,740.24	9,632.84
Long-Term Provisions	8	6,475.39	5,735.14
		435,614.21	200,415.04
Current Liabilities			
Short-Term Borrowings	9	16,455.78	2,073.03
Trade Payables (including amount referred to in Notes 42 & 45)			
– Dues of micro enterprises and small enterprises		14.13	11.68
– Dues of creditors other than micro enterprises and small enterprises		33,463.93	30,962.26
Other Current Liabilities	10	79,002.77	137,892.38
Short-Term Provisions	11	4,275.13	3,021.33
		133,211.74	173,960.68
TOTAL		826,501.36	604,668.11
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	242,913.93	213,136.41
Intangible Assets	12	440,003.95	142,199.72
Capital Work-in-Progress	12	60,985.93	51,405.32
Goodwill on Consolidation		61.20	61.20
Non-Current Investments	13	2.45	-
Long-Term Loans and Advances	14	35,858.30	42,751.91
Other Non-Current Assets	15	278.41	458.00
		780,104.17	450,012.56
Current Assets			
Current Investments	16	13,727.75	115,267.30
Inventories	17	1,065.41	710.34
Trade Receivables	18	11,776.14	9,789.10
Cash and Bank Balances	19	7,818.10	15,537.24
Short-Term Loans and Advances	20	11,989.70	12,289.89
Other Current Assets	21	20.09	1,061.68
		46,397.19	154,655.55
TOTAL		826,501.36	604,668.11
Significant Accounting Policies	2		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 28, 2016

For and on behalf of the Board

Arun Thiagarajan
Director

Akshaya Moondra
Chief Financial Officer

Sanjeev Aga
Director

Pankaj Kapdeo
Company Secretary

Himanshu Kapania
Managing Director

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

₹ Mn

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Service Revenue		359,023.14	313,551.53
Sale of Trading Goods		329.74	1,717.21
Other Operating Income	22	456.59	440.12
Revenue from Operations		359,809.47	315,708.86
Other Income	23	2,271.17	4,696.72
TOTAL		362,080.64	320,405.58
OPERATING EXPENDITURE			
Cost of Trading Goods Sold	24	288.98	1,451.66
Personnel Expenditure	25	16,599.01	15,298.68
Network Expenses and IT outsourcing cost	26	81,706.67	71,956.87
License Fees and Spectrum Usage Charges	27	41,507.83	35,351.47
Roaming & Access Charges	28	46,436.26	47,313.23
Subscriber Acquisition & Servicing Expenditure	29	28,668.02	23,751.59
Advertisement and Business Promotion Expenditure		4,864.45	5,031.11
Administration & other Expenses	30	9,438.66	7,437.58
		229,509.88	207,592.19
PROFIT BEFORE FINANCE CHARGES, DEPRECIATION, AMORTISATION & TAXES		132,570.76	112,813.39
Interest and Finance Charges	31	18,816.42	10,451.85
Depreciation	12	51,959.36	45,896.47
Amortisation of Intangible Assets	12	14,548.42	7,139.75
PROFIT BEFORE TAX		47,246.56	49,325.32
Provision for Taxation – Current		11,220.07	16,554.45
– Deferred		11,698.43	882.41
– MAT Credit		(6,471.23)	(40.60)
PROFIT AFTER TAX		30,799.29	31,929.06
Earnings Per Share of ₹ 10 each fully paid up (in ₹)	49		
– Basic		8.56	9.03
– Diluted		8.53	8.99
Significant Accounting Policies	2		
The accompanying notes are an integral part of the Financial Statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 28, 2016

For and on behalf of the Board

Arun Thiagarajan
Director

Akshaya Moondra
Chief Financial Officer

Sanjeev Aga
Director

Pankaj Kapdeo
Company Secretary

Himanshu Kapania
Managing Director

Notes forming part of the Consolidated Financial Statements

1. CORPORATE INFORMATION:

Idea Cellular Limited ('the Company'), an Aditya Birla Group entity was incorporated on 14th March, 1995. It is amongst the top three telecom service providers in India. The Company is engaged in the business of Mobility and Long Distance services and has pan India operations. The subsidiaries are in the business of sale of Handsets and Data cards, mobile banking services and passive infrastructure services. The Joint Venture is in the business of providing passive infrastructure services.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements

The Consolidated Financial Statements of Idea Cellular Limited, its subsidiary companies (together referred to as the "Group") and Joint Venture have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" notified under Section 133 of the Companies Act, 2013. The Consolidated Financial Statements are prepared under historical cost convention on accrual basis and mandatory applicable accounting standards in India.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III to the Companies Act, 2013.

b) Principles of Consolidation

The basis of preparation of the Consolidated Financial Statements is based on a line by line combination of the financial statements (the Balance Sheet and the Statement of Profit and Loss) of the Company, its subsidiaries and the group's share in joint venture 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 profit or losses. The differential with respect to the cost of investments in the subsidiaries over the Company's portion of equity is recognised as Goodwill or Capital Reserve, as the case may be. Goodwill arising out of consolidation is tested for impairment.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where stated otherwise.

The Financial Statements of the subsidiaries and the joint venture used in the consolidation are drawn up to March 31, 2016, the same reporting date as that of the Company and include the effects of the following entities, all of which are incorporated in India.

Sr. No.	Name of the Company	Relationship	Voting Power % as at	
			March 31, 2016	March 31, 2015
1.	Idea Telesystems Limited	Subsidiary	100.00	100.00
2.	Aditya Birla Telecom Limited	Subsidiary	100.00	100.00
3.	Idea Cellular Services Limited	Subsidiary	100.00	100.00
4.	Idea Cellular Infrastructure Services Limited	Subsidiary	100.00	100.00
5.	Idea Mobile Commerce Services Limited	Subsidiary	100.00	100.00
6.	Indus Towers Limited*	Joint Venture	16.00	16.00

* Entire shareholding is held by Aditya Birla Telecom Limited

Further, Aditya Birla Payments Bank Limited (ABIPBL), an associate has been incorporated on the 19th of February, 2016. (refer Note 33)

c) Fixed Assets

Fixed assets are stated at cost of acquisition and installation less accumulated depreciation / amortization and accumulated impairment losses, if any. Cost is inclusive of freight, duties, levies, any directly attributable cost incurred for bringing the assets to their working condition for intended use and borrowing cost attributable to fixed assets which take substantial period of time to get ready for intended use.

Asset retirement obligations are capitalised based on a constructive obligation as a result of past events, 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. Such costs are depreciated over the remaining useful life of the asset.

Gains and Losses arising from retirement or disposal of fixed assets are determined 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 on the date of retirement or disposal.

d) Expenditure during pre-operative period of license

Expenses incurred on project and other charges during construction period are included under pre-operative expenditure (grouped under capital work in progress) and are allocated to the cost of fixed assets on the commencement of commercial operations.

e) Depreciation and Amortisation

Depreciation on tangible fixed assets 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,

Notes forming part of the Consolidated Financial Statements

2013 except where the estimated useful economic life has been assessed to be different 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. Basis the above, the estimated useful life of all assets except towers in the joint venture are either lower or same as prescribed in Schedule II of the Companies Act, 2013.

Tangible Assets	Years
Buildings	9 to 30
Network Equipments (including Towers and Shelters)	7 to 20
Optical Fibre	15
Other Plant and Machineries	3 to 5
Computers	3 to 5
Furniture and Fixtures	3 to 10
Motor Vehicles	Upto 5
Leasehold Improvements	Period of lease
Leasehold Land	Period of Lease

Intangible Assets are amortised on straight line method as under:-

- i) Cost of Rights, License amounts (including amounts paid on fixed basis prior to revenue share regime) and amount paid for Spectrum is amortised on commencement of operations over the validity period.
- ii) 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.
- iii) Bandwidth / Fibre taken on Indefeasible Right of Use (IRU) is amortised over the agreement period.

Assets costing upto ₹ 5,000/- are depreciated fully in the month of purchase.

f) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis.

g) Foreign Currency Transactions, Forward Contracts & other Derivatives

i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transactions. As per the transitional provisions given in the notification issued by Ministry of Corporate Affairs dated 31st March 2009, the company has opted for the option of adjusting the exchange difference on

long term foreign currency monetary items to the cost of the assets acquired out of these foreign currency monetary items. The company has aligned its accounting policy based on this notification and its further amendment.

Exchange difference arising out of fluctuation in exchange rates on settlement / period end is accounted based on the nature of transaction as under:

- Short term foreign currency monetary assets and liabilities: recognised in the Statement of Profit and Loss.
- Long term foreign currency monetary liabilities used for acquisition of fixed assets: adjusted to the cost of the fixed assets and amortised over the remaining useful life of the asset.
- Other Long term foreign currency monetary liabilities: recognised in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the period of liability not exceeding 31st March 2020.

ii) Forward Contracts & Other Derivatives

Premium / discount amount on forward contract is amortised on period basis related to the contract it pertains to profit or loss arising on cancellation of forward exchange contract is recognised in the period in which the contract is cancelled.

Derivative contracts not covered under Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates", entered for hedging foreign currency fluctuations and interest rate risk are marked to market at each reporting date. Loss, if any, on such valuation is recognised in the Statement of Profit & Loss in that period and gain if any, is not recognised as per the principle of prudence enunciated in Accounting Standard 1, "Disclosure of Accounting Policies".

h) Taxation

- i) **Current Tax:** Provision for current Income tax is made on the taxable income using the applicable tax rates and tax laws. Advance Income Tax and Provision for Current Tax for the same legal entity is disclosed in the balance sheet at net as these are settled on net basis.
- ii) **Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is virtual certainty with respect to the reversal of the same in future years.

Notes forming part of the Consolidated Financial Statements

iii) Minimum Alternate Tax (MAT) credit: MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the legal entity will pay normal Income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement. The legal entity reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that it will pay normal Income tax during the specified period.

i) Retirement Benefits

Contributions to Provident and Pension funds are funded with the appropriate authorities and charged to the Statement of Profit and Loss.

Contributions to Superannuation are funded with the Life Insurance Corporation of India and charged to the Statement of Profit and Loss.

Liability for Gratuity as at the period end is provided on the basis of actuarial valuation and funded with Life Insurance Corporation of India.

Provision in accounts for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the period end.

j) Revenue Recognition and Receivables

Revenue on account of telephony services (mobile & long distance) and sale of handsets and related accessories is recognised net of rebates, discount, service tax, etc. on rendering of services and supply of goods respectively. Recharge fees on recharge vouchers is recognised as revenue as and when the recharge voucher is activated by the subscriber.

Revenue from passive infrastructure is recognized on accrual basis (net of reimbursements) as per the contractual terms on straight line method over the contract period.

Unbilled receivables, represent revenues recognised from the bill cycle date to the end of each month. These are billed in subsequent periods as per the agreed terms.

Debts (net of security deposits outstanding there against) due from subscribers, which remain unpaid for more than 90 days from the date of bill and/or other debts which are otherwise considered doubtful, are provided for.

Provision for doubtful debts on account of Interconnect Usage Charges (IUC), Roaming Charges and passive infrastructure sharing from other telecom operators is made for dues outstanding more than 180 days from the date of billing other than cases when an amount is payable to that operator or in specific case when management is of the view that the amount is recoverable.

k) Interest & Dividend Income

Interest income is recognized on accrual basis on the outstanding amount and applicable interest rate. Dividend income is accounted once the right to receive the income is established.

l) Investments

Current Investments are stated at lower of cost or fair value in respect of each separate investment. Gain on sale of current Investment is accounted on actual sale of investment and loss, if any, is accounted for as soon as it is ascertained.

Long-term Investments are stated at cost less provision for diminution in value other than temporary, if any.

m) Borrowing Cost

Interest and other costs incurred in connection with the borrowing of funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

n) License Fees – Revenue Share

With effect from August 1, 1999 the variable License fee computed at prescribed rates of revenue share is being charged to the Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprises adjusted gross revenue as per the license agreement of the license area to which the license pertains.

o) Use of Estimate

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialise.

Notes forming part of the Consolidated Financial Statements

p) Leases

- i) **Operating lease:** Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor is classified as operating leases. Lease payments / income for / from an operating lease are recognised as expense / income in the Statement of Profit and Loss, on a straight-line or other systematic basis over the lease term.
- ii) **Finance:** Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Group are capitalised at lower of fair value or the amounts paid under such lease arrangements. Such assets are amortised over the period of lease or estimated life of such assets whichever is less.

q) Earnings Per Share

The earnings considered in ascertaining the Group's Earning Per Share (EPS) comprise of the net profit after tax, after reducing dividend on Cumulative Preference Shares for the period (irrespective of whether declared, paid or not), as per Accounting Standard 20 on "Earning Per Share". The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the Period. 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.

r) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized

in accordance with Accounting Standard 28 on "Impairment of Assets", for the amount by which the asset's carrying amount exceeds its recoverable amount as on the carrying date. The recoverable amount is higher of the asset's fair value less costs to sell vis-à-vis value in use. For the purpose of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

s) Provisions & Contingent Liability

Provisions are recognized when the Group has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. 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.

t) Share Issue Expenditure

Expenses incurred in connection with issue of equity shares are adjusted against Securities Premium Account.

u) Employee Stock Option

In respect of stock option granted pursuant to the Company's Employee Stock Option Scheme, the intrinsic value of the option is treated as discount and accounted as employee compensation cost over the vesting period.

In respect of re-pricing of existing stock option, the incremental intrinsic value of the option is accounted for as employee cost over the remaining vesting period.

Notes forming part of the Consolidated Financial Statements

3 SHARE CAPITAL

a) Authorised, Issued, Subscribed and Paid-up Share Capital:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	₹ Mn	Numbers	₹ Mn
Authorised				
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 Mn. 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
Issued, Subscribed and Paid-Up				
Equity Share Capital				
Equity Shares of ₹ 10 each fully Paid-up	3,600,509,378	36,005.09	3,597,844,427	35,978.44
Total	3,600,509,378	36,005.09	3,597,844,427	35,978.44

b) Share Options granted under the Employee Stock Option Schemes

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 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 RSUs 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/- 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. As at the end of financial year, details of outstanding options are as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
i) Options granted under ESOS 2006				
Options outstanding at the beginning of the year	4,851,573	51.74	7,344,086	51.06
Options granted during the year	-	-	-	-
Options forfeited / lapsed during the year	10,625	62.74	29,250	68.86
Options exercised during the year	2,136,095	50.67	2,453,513	49.53
Options expired during the year	23,812	49.64	9,750	45.55
Options outstanding at the end of the year	2,681,041	52.56	4,851,573	51.74
Options exercisable at the end of the year	2,681,041	52.56	4,851,573	51.74
Range of exercise price of outstanding options (₹)	39.30 - 68.86		39.30 - 68.86	
Remaining contractual life of outstanding options (years)	0.31 - 3.81		0.31 - 4.82	

Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
ii) Options granted under ESOS 2013				
Options outstanding at the beginning of the year	18,657,280	127.16	18,565,428	126.45
Options granted during the year	1,048,615	117.55	559,677	150.10
Options forfeited / lapsed during the year	158,421	126.45	427,809	126.45
Options exercised during the year	528,856	126.45	40,016	126.45
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	19,018,618	126.66	18,657,280	127.16
Options exercisable at the end of the year	8,622,110	126.83	4,494,393	126.45
Range of exercise price of outstanding options (₹)	117.55 - 150.10		126.45 - 150.10	
Remaining contractual life of outstanding options (years)	3.87 - 8.81		4.87 - 8.75	
iii) RSU's granted under ESOS 2013				
Options outstanding at the beginning of the year	8,160,108	10.00	8,105,587	10.00
Options granted during the year	476,851	10.00	254,499	10.00
Options forfeited / lapsed during the year	86,513	10.00	199,978	10.00
Options exercised during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	8,550,446	10.00	8,160,108	10.00
Options exercisable at the end of the year	41,422	10.00	-	-
Range of exercise price of outstanding options (₹)	10.00		10.00	
Remaining contractual life of outstanding options (years)	5.87 - 7.81		6.87 - 7.75	

Particulars	₹ Mn	
	As at March 31, 2016	As at March 31, 2015
4 RESERVES AND SURPLUS		
a) Debenture Redemption Reserve		
Balance at the beginning of the year	341.78	238.30
Add: Transfer from Statement of Profit and Loss	141.43	103.48
Balance at the end of the year	483.21	341.78
b) Securities Premium Account		
Balance at the beginning of the year	124,552.30	89,914.99
Add : Premium on issue of shares under ESOS scheme	185.67	147.13
Add: Premium on QIP and Preferential Allotment of equity shares (Net of share issue expenses ₹ Nil (Previous year ₹ 252.63 Mn.))	-	34,490.18
Balance at the end of the year	124,737.97	124,552.30
c) Outstanding Employee Stock Options		
Balance at the beginning of the year	431.49	163.67
Add : Charge for the period (Refer Note 41)	317.24	313.29
Less : Transfer to Securities Premium Account on exercise of Options	37.21	45.47
Balance at the end of the year	711.52	431.49

Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2016	As at March 31, 2015
d) General Reserve		
Balance at the beginning of the year	3,676.46	4,432.18
Add: Reserve created by JV on merger as per scheme	-	-
Less: Depreciation charge on fair value portion of fixed assets by JV	569.20	746.92
Less: Group's share of JV's discrepancy in physical verification of fixed assets as per scheme	0.73	8.80
Balance at the end of the year	3,106.53	3,676.46
e) Surplus in statement of Profit and Loss		
Balance at the beginning of the year	65,292.67	37,305.03
Add : Profit during the period	30,799.29	31,929.06
Less: Transfer to Debenture Redemption Reserve	141.43	103.48
Less: Dividend Distribution Tax on Final / Interim Dividend by JV	737.49	1,110.23
Less: Proposed Dividend * (Refer Note 56)	2,161.22	2,269.43
Less: Dividend Distribution Tax on Proposed Dividend * (Refer Note 56)	439.98	458.28
Balance at the end of the year	92,611.84	65,292.67
Total	221,651.07	194,294.70
* Proposed Dividend includes ₹ 0.91 Mn. (Previous year ₹ 110.72 Mn.) and Dividend Distribution Tax on proposed dividend includes ₹ 0.19 Mn. (Previous year ₹ 18.82 Mn.) which is paid in the current financial year related to previous financial year for shares issued after balance sheet date and before record date of dividend.		
5 LONG TERM BORROWINGS		
SECURED LOANS		
396 (Previous year 396) 9.45% Redeemable Non Convertible Debentures of ₹ 10 Mn. each	3,960.00	3,960.00
(Out of the 1,000 NCDs issued originally, the Company has re-purchased 604 NCDs of ₹ 10 Mn each, aggregating to ₹ 6,040 Mn. with an option to re-issue the same in future)		
Term Loans		
Foreign Currency Loan		
- From Others	32,444.23	44,142.92
Rupee Loan		
- From Banks	8,206.03	13,097.69
- From Others	-	6,298.67
Vehicle Loan from Banks	291.69	288.89
	44,901.95	67,788.17
UNSECURED LOANS		
Term Loans		
Foreign Currency Loan		
- From Banks	8,981.81	4,506.54
Rupee Loan		
- From Banks	500.00	-
- From Others	195.76	195.60
Deferred Payment Liability towards Spectrum	311,105.38	93,541.51
	320,782.95	98,243.65
Total	365,684.90	166,031.82

Notes forming part of the Consolidated Financial Statements

a) Secured Loans are covered by:

Term Loans including current maturities are secured by way of first charge / assignment ranking pari-passu interse the lenders, as under:

- i. First charge on all the movable and immovable properties of the Company respectively,
- ii. First charge over all intangible assets (excluding Telecom Licenses and Spectrum) of the Company,
- iii. Assignment of the rights, titles and interest, on deposits, investments, bank accounts, book debts, insurance covers, other general assets, letters of credit and guarantees, provided in favour of the Company.

Foreign Currency Loan amounting to ₹ 5,092.32 Mn. (Previous year ₹ 5,803.22 Mn.) have additional security as first priority charge over certain Telecom License. NCD amounting to ₹ 3,960.00 Mn. (Previous year ₹ 3,960.00 Mn.) have pari-passu charge only on the tangible fixed assets of the Company.

Vehicle Loans including current maturities is secured by hypothecation of Vehicles against which the loans have been taken.

b) Security Clause for the Group's share in borrowings of the Joint Venture:

Secured Loans are covered by:

Term Loans including current maturities are secured by way of first charge pari-passu interse the lenders, as under:

- i. First charge by way of hypothecation of the Joint venture's entire movable assets, plant and machinery, including tower, related equipment and spares, tools & accessories, furniture & fixtures, vehicles and all other movable assets, present and future,
- ii. Charge on Joint venture's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn. (amount in absolute figures) including funded facilities,

First charge over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

c) Repayment Terms of outstanding long term borrowings (excluding current maturities) as on March 31, 2016

Repayment Terms for Secured Foreign Currency Borrowings

Facility 1 (₹ 3,928.31 Mn.) – Balance amount is repayable as follows :

- 1) 9 equal quarterly installments of 4.125% each of the total drawn amount starting April, 2017
- 2) 4 equal quarterly installments of 4.75% each of the total drawn amount starting July, 2019

Facility 2 (₹ 7,007.34 Mn.) -

Tranche 1 - Balance amount is repayable in 5 equal half yearly installments starting September, 2017

Tranche 2 - Balance amount is repayable in 8 equal half yearly installments starting August, 2017

Facility 3 (₹ 5,126.15 Mn.) - Balance amount is repayable in 9 equal half yearly installments starting June, 2017

Facility 4 (₹ 5,857.27 Mn.) -

Tranche 1 - Balance amount is repayable in 6 equal half yearly installments starting April, 2017

Tranche 2 - Balance amount is repayable in 2 equal half yearly installments starting April, 2020

Facility 5 (₹ 4,915.26 Mn.) - Balance amount is repayable in 9 equal half yearly installments starting May, 2017

Facility 6 (₹ 5,609.90 Mn.) - Balance amount is repayable as follows:

- 1) 11 equal half yearly installments starting July, 2017
- 2) 9 equal half yearly installments starting July, 2017

Repayment Terms for Secured INR Borrowings

Facility 1 (₹ 4,300.00 Mn.) - Balance amount is repayable in 4 equal quarterly installments starting June, 2017

NCDs (₹ 3,960.00 Mn.) - Repayable in October, 2019

Vehicles Loans are repayable in equal monthly installments over the term of the loan ranging from 2 to 4 years

Repayment Terms for Unsecured Foreign Currency Borrowings

Facility 1 (₹ 4,205.84 Mn.) - Repayable in 13 equal half yearly installments starting April, 2017

Facility 2 (₹ 4,775.97 Mn.) - Balance amount is repayable in June, 2018

Repayment Terms for Unsecured INR Borrowings

Facility 1 (₹ 500.00 Mn.) – 4 equal quarterly installments of 12.50% each of the total drawn amount starting June, 2017

Notes forming part of the Consolidated Financial Statements

Repayment Terms for Deferred Payment Liability (DPL)

DPL for Spectrum won in November 2012 (₹ 13,313.98 Mn) - Balance amount and interest thereon is repayable in 8 equated annual installments starting December, 2017.

DPL for Spectrum won in February 2014 (₹ 73,758.14 Mn) - Balance amount and interest thereon is repayable in 9 equated annual installments starting March, 2018.

DPL for Spectrum won in March 2015 (₹ 224,033.26 Mn) - Balance amount and interest thereon is repayable in 10 equated annual installments starting April, 2018.

d) Repayment Terms of the Group's share in outstanding long term borrowings (excluding current maturities) of the Joint Venture as on March 31, 2016

Repayment Terms for Secured INR Borrowings

Facility 1 (₹ 1,702.61 Mn) - Balance amount is repayable in 14 equal quarterly installments starting May, 2017

Facility 2 (₹ 249.08 Mn) - Balance amount is repayable in 7 equal quarterly installments starting May, 2017

Facility 3 (₹ 397.66 Mn) - Balance amount is repayable in 10 equal quarterly installments starting June, 2017

Facility 4 (₹ 960.00 Mn) - Balance amount is repayable in 20 equal quarterly installments starting June, 2017

Facility 5 (₹ 329.98 Mn) - Balance amount is repayable as follows :

1) 7 equal quarterly installments starting May, 2017

2) 7 equal quarterly installments starting February, 2019

Facility 6 (₹ 266.64 Mn) - Balance amount is repayable in April, 2017

Repayment Terms for Unsecured INR Borrowings

Facility 1 (₹ 195.76 Mn) the loan is repayable to one of the joint venture partner, once the Joint venture receives refund of advance tax recognised pursuant to the Scheme of merger.

e) Summary of Repayment terms:

₹ Mn

Particulars	Loan repayable in		
	1 to 2 years	2 to 5 years	After 5 years
Secured	15,119.28	27,830.55	1,952.06
Unsecured	2,841.04	38,816.36	278,929.79
Total	17,960.32	66,646.91	280,881.85

f) During the year, the Company has re-financed Loans worth ₹ 10,586.48 Mn (Previous year ₹ Nil) with no changes in repayment terms.

₹ Mn

Particulars	As at March 31, 2016	As at March 31, 2015
6 DEFERRED TAX LIABILITIES		
Major components of Deferred Tax are:		
a) Deferred Tax Liability:		
Depreciation & Amortisation	32,676.66	20,490.83
Revenue Equalisation Reserve and Others	1,458.17	1,411.84
Total Deferred Tax Liability (A)	34,134.83	21,902.67
b) Deferred Tax Asset:		
Provision for Doubtful Debts	1,405.60	1,267.36
Expenses allowable on payment basis	1,692.85	1,339.57
Others	322.70	280.50
Total Deferred Tax Asset (B)	3,421.15	2,887.43
Net Deferred Tax Liability (A - B)	30,713.68	19,015.24

Notes forming part of the Consolidated Financial Statements

		₹ Mn	
	Particulars	As at	As at
		March 31, 2016	March 31, 2015
7	OTHER LONG TERM LIABILITIES		
	Trade Payables	3,723.79	3,012.73
	Payables for Capital Expenditure	8.09	56.70
	Advance from Customers and Unearned Income	3,646.55	3,151.64
	Deposits from Customers and Others	2,768.23	2,272.07
	Interest accrued but not due	22,593.58	1,139.70
	Total	32,740.24	9,632.84
8	LONG TERM PROVISIONS		
	Gratuity (Refer Note 43)	1,573.33	1,260.30
	Compensated Absences	1,478.12	1,213.56
	Asset Retirement Obligation (Refer Note 53)	3,423.94	3,261.28
	Total	6,475.39	5,735.14
9	SHORT TERM BORROWINGS		
	a) SECURED LOANS		
	Working Capital Loan from Banks	-	49.87
	(Secured by way of second charge on movable and immovable assets of the company)		
	b) UNSECURED LOANS		
	Working Capital Loan from Banks	11,455.78	2,023.16
	Commercial Papers from Banks	5,000.00	-
	Total	16,455.78	2,073.03
10	OTHER CURRENT LIABILITIES		
	Current Maturities of Long Term Debt*	32,890.26	100,486.06
	Interest accrued but not due on Borrowings	904.85	740.14
	Advance from Customers and Unearned Income	12,772.53	12,635.20
	Payables for Capital Expenditure	21,454.74	14,772.36
	Deposits from Customers and Others	140.84	122.62
	Book Bank Overdraft	164.01	178.69
	Dividend Payable	2.52	1.44
	Taxes and Other Liabilities	10,673.02	8,955.87
	Total	79,002.77	137,892.38
	*Previous year includes ₹ 78,075 Mn. prepaid in the first quarter of FY 2015-16		
11	SHORT TERM PROVISIONS		
	Compensated Absences	135.18	120.09
	Gratuity	5.57	5.01
	Current Tax (net of Advance Income Tax)	796.79	298.06
	Proposed Dividend	2,160.31	2,158.71
	Dividend Distribution Tax on Proposed Dividend	1,177.28	439.46
	Total	4,275.13	3,021.33

Notes forming part of the Consolidated Financial Statements

12 - FIXED ASSETS

A - TANGIBLE ASSETS

Particulars	Gross Block		Accumulated Depreciation		Net Block	
	As at 1-Apr-2015	Additions for the year ended March 31, 2016	Disposal/Deletions/ Adjustments for the year ended March 31, 2016	As at 1-Apr-2015	As at 31-Mar-2016	As at 31-Mar-2015
Freehold Land	119.35	-	-	-	119.35	119.35
Leasehold Land	779.57	-	-	11.28	752.41	768.29
Buildings	1,865.96	49.43	47.64	859.83	945.48	1,006.13
Plant & Machinery	419,771.42	81,612.22	8,535.82	209,670.04	239,767.59	210,101.38
Furniture & Fixtures	1,700.35	169.35	53.17	1,406.24	372.75	294.11
Office Equipment	3,829.36	274.96	732.40	3,542.19	391.60	287.17
Vehicles	1,495.09	342.44	270.96	935.11	564.75	559.98
Sub-Total	429,561.10	82,448.40	9,639.99	216,424.69	242,913.93	213,136.41
Less :Depreciation charged to General Reserve pursuant to merger scheme			569.20			
TOTAL	429,561.10	82,448.40	9,639.99	216,424.69	242,913.93	213,136.41

Notes:

1. Plant & Machinery includes assets held for disposal- Gross Block ₹ 3,126.54 Mn. (Previous year ₹ 735.20 Mn.) and Net Block ₹ 154.96 Mn. (Previous year ₹ 22.34 Mn.).
2. Plant & Machinery includes Gross Block of assets capitalised under finance lease ₹ 16,018.52 Mn. (Previous year ₹ 13,875.22 Mn.) and corresponding Accumulated Depreciation being ₹ 11,624.09 Mn. (Previous year ₹ 9,466.60 Mn.).
3. Exchange loss amounting to ₹ 1,772.83 Mn. (Previous year exchange loss ₹ 1,181.69 Mn.) capitalised as per transitional provisions of notification under AS-11, issued by the Ministry of Corporate Affairs.
4. Depreciation charge for the year includes ₹ 572.48 Mn. (Previous year ₹ 5,466.05 Mn.) due to change in estimated useful life of certain fixed assets.

B - INTANGIBLE ASSETS

Particulars	Gross Block		Accumulated Amortisation		Net Block	
	As at 1-Apr-2015	Additions for the year ended March 31, 2016	Disposal/Deletions/ Adjustments for the year ended March 31, 2016	As at 1-Apr-2015	As at 31-Mar-2016	As at 31-Mar-2015
Entry/License Fees & Spectrum	174,024.15	308,928.83	16,152.12	39,462.60	430,347.31	134,561.55
Computer - Software	5,633.00	2,004.42	450.37	5,006.27	1,866.66	626.73
Bandwidth	8,988.66	1,419.47	-	1,977.22	7,789.98	7,011.44
TOTAL	188,645.81	312,352.72	16,602.49	46,446.09	440,003.95	142,199.72
GRAND TOTAL	618,206.91	394,801.12	26,242.48	262,870.78	682,917.88	355,336.13

Notes:

1. Computer - Software include Gross Block of assets capitalised under finance lease ₹ 4,020.27 Mn. (Previous year ₹ 2,532.10 Mn.) and corresponding Accumulated Amortisation being ₹ 2,682.02 Mn. (Previous year ₹ 2,175.00 Mn.).
2. Deletion of Entry / License Fees and Spectrum pertains to the expired CMTS Licenses on completion of its license tenure of 20 years.
3. The remaining amortisation period of license/ Spectrum fees as at March 31, 2016 ranges between 1 to 20 years based on the respective Telecom Service License / Spectrum validity period.

Capital Work in Progress (including ₹ 53,674.15 Mn. (Previous year ₹ 42,313.23 Mn.) towards spectrum, interest and Net of impairment provision of ₹ 4,844.60 Mn. (Previous year ₹ 4,844.60 Mn.))	60,985.93	51,405.32
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Notes forming part of the Consolidated Financial Statements

12 FIXED ASSETS

C - TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation		Net Block
	As at 1-Apr-2014	Additions Disposal/Deletions/ for the year ended March 31, 2015	As at 31-Mar-2015	As at 1-Apr-2014	As at 31-Mar-2015	
Freehold Land	120.19	0.75	119.35	-	-	119.35
Leasehold Land	11.26	768.31	779.57	3.25	8.03	768.29
Buildings	1,742.04	128.74	1,865.96	763.06	100.19	1,006.13
Plant & Machinery	386,835.25	40,169.48	419,771.42	170,428.06	46,005.00	210,101.38
Furniture & Fixtures	1,650.06	54.62	1,700.35	1,317.23	92.86	294.11
Office Equipment	3,734.21	202.08	3,829.36	3,502.58	143.95	287.17
Vehicles	1,398.90	333.09	1,495.09	845.35	293.36	559.98
Sub-Total	395,491.91	41,657.07	429,561.10	176,859.53	46,643.39	213,136.41
Less : Depreciation charged to General Reserve pursuant to merger scheme				746.92		
TOTAL	395,491.91	41,657.07	429,561.10	176,859.53	45,896.47	213,136.41

D - INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Amortisation		Net Block
	As at 1-Apr-2014	Additions Disposal/Deletions/ for the year ended March 31, 2015	As at 31-Mar-2015	As at 1-Apr-2014	As at 31-Mar-2015	
Entry/License Fees & Spectrum	103,239.17	70,784.98	174,024.15	33,315.22	6,147.38	134,561.55
Computer - Software	5,367.20	337.61	5,633.00	4,651.73	426.35	626.73
Bandwidth	8,097.86	890.80	8,988.66	1,411.20	566.02	7,011.44
TOTAL	116,704.23	72,013.39	188,645.81	39,378.15	7,139.75	142,199.72
GRAND TOTAL	512,196.14	113,670.46	618,206.91	216,237.68	53,036.22	355,336.13

Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2016	As at March 31, 2015	
13 NON CURRENT INVESTMENTS			
Long-term Trade Investment (Unquoted) at Cost			
Investments in Shares of Associate			
Aditya Birla Idea Payments Bank Limited			
2,45,000 (Previous Year Nil) fully paid equity shares of ₹ 10 each	2.45	-	
Total	2.45	-	
14 LONG-TERM LOANS AND ADVANCES			
(Unsecured, considered good unless otherwise stated)			
Capital Advances	245.15	19,593.62	
Deposits and balances with Government Authorities	731.19	560.09	
Deposits with Body Corporates and Others	8,628.38	8,514.00	
MAT Credit Entitlement	12,285.83	5,841.49	
Advance Income Tax	5,963.93	2,736.71	
Other Loans and Advances			
- Considered Good	8,003.82	5,506.00	
- Considered Doubtful	539.81	-	
	8,543.63	5,506.00	
Less: Provision for Doubtful Advances	539.81	-	
	8,003.82	5,506.00	
Total	35,858.30	42,751.91	
15 OTHER NON CURRENT ASSETS			
Revenue Equalisation Reserve	278.41	458.00	
Total	278.41	458.00	
16 CURRENT INVESTMENTS			
Investment in Units of Mutual Funds (Unquoted) (Refer Note 40)	13,727.75	115,267.30	
Total	13,727.75	115,267.30	
17 INVENTORIES			
Sim and Recharge Vouchers	851.46	582.98	
Trading Goods	213.95	127.36	
Total	1,065.41	710.34	
18 TRADE RECEIVABLES			
(including amount referred in Note 45)			
a) Billed Receivables			
Unsecured - Considered Good			
Outstanding for a period exceeding six months from due date	294.39	345.13	
Other Receivables	6,653.14	5,025.08	
	6,947.53	5,370.21	

Notes forming part of the Consolidated Financial Statements

		₹ Mn	
Particulars	As at March 31, 2016	As at March 31, 2015	
Unsecured - Considered Doubtful			
Outstanding for a period exceeding six months from due date	3,401.89	3,188.37	
Other Receivables	526.17	429.87	
	3,928.06	3,618.24	
Less: Provision for Doubtful Debts	3,928.06	3,618.24	
	6,947.53	5,370.21	
Trade receivable are secured for amounts receivable from certain parties who have provided security deposits of ₹ 287.68 Mn. (Previous year ₹ 267.77 Mn.)			
b) Unbilled Receivables	4,828.61	4,418.89	
Total	11,776.14	9,789.10	
19 CASH AND BANK BALANCES			
a) Cash and Cash Equivalents			
Cash on hand	18.51	15.94	
Cheques on hand	86.73	79.48	
Balances with Banks			
- In Current Accounts	348.39	381.93	
- In Deposit Accounts	7,296.79	15,000.64	
	7,750.42	15,477.99	
b) Other Bank Balances			
Margin Money with Banks	65.16	57.81	
Earmarked Bank Balance towards Dividend	2.52	1.44	
Total	7,818.10	15,537.24	
20 SHORT TERM LOANS AND ADVANCES			
(Unsecured, considered good unless otherwise stated)			
MAT Credit Entitlement	-	6.90	
Advance Income Tax	56.12	3,182.34	
Deposits with Body Corporates and Others	686.34	396.16	
Cenvat Credit	6,970.84	3,415.39	
Other Loans and Advances			
- Considered Good	4,276.40	5,289.10	
- Considered Doubtful	3.76	581.09	
	4,280.16	5,870.19	
Less: Provision for Doubtful Advances	3.76	581.09	
	4,276.40	5,289.10	
Total	11,989.70	12,289.89	
21 OTHER CURRENT ASSETS			
Interest Receivable	20.09	1,061.68	
Total	20.09	1,061.68	

Notes forming part of the Consolidated Financial Statements

		₹ Mn	
	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
22	OTHER OPERATING INCOME		
	Liabilities/Provisions no longer required written back	266.38	256.28
	Miscellaneous Receipts	190.21	183.84
	Total	456.59	440.12
23	OTHER INCOME		
	Interest Income	318.77	1,114.91
	Dividend Income and Profit on Sale of Current Investments	1,952.40	3,581.81
	Total	2,271.17	4,696.72
24	COST OF TRADING GOODS SOLD		
	Opening Stock	127.36	195.70
	Add : Purchases	375.57	1,383.32
	Less : Closing Stock	213.95	127.36
	Total	288.98	1,451.66
25	PERSONNEL EXPENDITURE		
	Salaries and Allowances etc. (including amount referred to in Note 41)	14,526.03	13,536.82
	Contribution to Provident and Other Funds	1,151.07	1,006.54
	Staff Welfare	674.31	583.51
	Recruitment and Training	247.60	171.81
	Total	16,599.01	15,298.68
26	NETWORK EXPENSES AND IT OUTSOURCING COST		
	Security Service Charges	1,444.51	1,323.77
	Power and Fuel	24,693.61	24,052.86
	Repairs and Maintenance - Plant and Machinery	12,212.01	10,574.63
	Switching & Cellsites Rent	4,417.60	3,828.26
	Lease Line and Connectivity Charges	6,639.46	5,038.76
	Network Insurance	181.76	120.39
	Passive Infrastructure Charges	26,282.33	22,506.79
	Other Network Operating Expenses	1,132.34	856.72
	IT Outsourcing Cost	4,703.05	3,654.69
	Total	81,706.67	71,956.87
27	LICENSE FEES AND SPECTRUM USAGE CHARGES		
	License Fees	25,078.74	21,636.31
	Spectrum Usage Charges	16,429.09	13,715.16
	Total	41,507.83	35,351.47

Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
28 ROAMING & ACCESS CHARGES		
Roaming Charges	12,986.50	8,355.42
Access Charges	33,449.76	38,957.81
Total	46,436.26	47,313.23
29 SUBSCRIBER ACQUISITION & SERVICING EXPENDITURE		
Cost of Sim & Recharge Vouchers	1,775.35	1,489.90
Commission to Dealers	17,683.12	13,949.74
Customer Verification Expenses	2,771.11	2,495.43
Collection, Telecalling & Servicing Expenses	5,543.59	5,054.26
Customer Retention & Customer Loyalty Expenses	894.85	762.26
Total	28,668.02	23,751.59
30 ADMINISTRATION & OTHER EXPENSES		
Repairs and Maintenance - Building	83.59	73.05
- Others	509.99	406.38
Other Insurance	41.68	38.21
Non Network Rent	1,164.33	991.59
Rates and Taxes	185.53	216.94
Electricity	574.17	536.77
Printing and Stationery	91.90	91.93
Communication Expenses	130.64	118.24
Travelling and Conveyance	1,322.17	1,131.14
Bad Debts / Advances written off	1,328.12	1,043.19
Provision for bad and doubtful debts / advances	318.98	42.68
Gain / (Loss) on foreign exchange fluctuation (Net)	471.73	261.90
Bank Charges	244.11	150.28
Directors Commission (Previous year includes ₹100 Mn. related to FY 2013-2014)	150.01	250.00
Directors Sitting Fees	3.81	2.82
Legal and Professional Charges	1,216.68	939.21
Audit Fees (Refer Note 39)	48.32	45.35
Loss / (Gain) on Sale of Fixed Assets/Asset disposed off (Net)	(225.99)	(269.97)
CSR Expenses (Refer Note 54)	248.83	50.40
Miscellaneous expenses*	1,530.06	1,317.47
Total	9,438.66	7,437.58
* Previous year includes contribution of ₹ 150 Mn. to General Electoral Trust (the 'Trust') of the Aditya Birla Group. As per governing charter of the Trust, the contributions received by the Trust from various Companies in the Aditya Birla Group, are used for contribution to be made to Political Parties / for Political purposes, as may be decided by the Board of Independent Trustees of the said Trust.		
31 INTEREST AND FINANCE CHARGES		
Interest		
- On Fixed Period Loan (Net of ₹ 345.02 Mn. capitalised, Previous year ₹ Nil)	5,035.27	6,031.66
- On Deferred Payment Liability towards Spectrum (Net of ₹ 18,479.47 Mn. capitalised, (Previous year ₹ 5,232.52 Mn.))	13,034.59	3,574.92
- Others	344.96	353.90
Financing Charges	401.60	491.37
Total	18,816.42	10,451.85

Notes forming part of the Consolidated Financial Statements

- 32.** During the year, the CMTS Licenses along with bundled spectrum which were issued twenty years back expired on completion of the licensed tenure in the service areas of Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh, Kerala, Haryana and Uttar Pradesh (West). The Department of Telecommunications (DOT) had, in the meanwhile allotted the spectrum won by the successful bidders of the March 2015 auctions (including the company) for a period of twenty (20) years and linked the use of the allotted spectrum to the expiring dates of the bundled spectrum in the service areas where the initial licenses were expiring as mentioned above. During the year, the Company had also obtained the required authorization for access services under Unified License (UL) which enabled it to use the allotted spectrum won, thus shifting out from the earlier administered spectrum in all the above service areas seamlessly.

The company has also launched its 3G services in the Kolkata service area and 4G LTE services in the ten service areas of Maharashtra, Madhya Pradesh, Andhra Pradesh, Kerala, Karnataka, Punjab, Tamilnadu, Haryana, Odisha and NESA using the spectrum that it had additionally acquired during the February 14 and March 15 auctions.

The above has resulted in an addition to the Intangible fixed Assets (including CWIP relating to the spectrum of Punjab and Karnataka service areas whose CMTS licenses along with bundled spectrum are expiring in April 2016) during the year by ₹ 301,375.25 Mn along with the Deferred Payment Liability of ₹ 224,033.26 Mn which is reflected under Long term Borrowings. Also, deletions pertaining to the above mentioned expired CMTS licenses of ₹16,152.12 Mn (Written Down Value ₹ NIL) have been recorded in Intangible Fixed assets.

- 33.** Aditya Birla Nuvo Limited (ABNL) along with the company has incorporated a new company named Aditya Birla Idea Payments Bank Limited (ABIPBL) on the 19th of February, 2016 to set up a Payments Bank pursuant to the in-principle approval issued by the Reserve Bank of India (RBI) for the same to ABNL. The Company owns 49% equity interest in ABIPBL and has invested an initial capital of ₹ 2.45 Mn as on 31st March, 2016. The first full financial statements of ABIPBL will be prepared for the period ending 31st March, 2017.

- 34.** In line with RBI regulations for Payments Bank which do not permit co-existence of any PPI issuer and a payment bank entity in the same group, the board of IMCSL (current holder of a PPI authorization from RBI) has given its approval to amalgamate IMCSL with ABIPBL on a going concern basis subject to requisite approvals.

35. 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., 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.

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 consolidated financial statements for the above.

(ii) Other Licensing Disputes - ₹ 30,501.90 Mn. (Previous year ₹ 35,520.91 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 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.

- B.** The Group has a contingent obligation to buy compulsorily convertible preference shares issued by Aditya Birla Telecom Limited (ABTL), a subsidiary of the Company, from the holder at a mutually agreed consideration based on the fair value, in the event the holder exercises exit rights. In case, the holder of CCPS exercises the right of conversion, ABTL will issue equity shares equivalent to 30.3125% of its total Equity Share Capital.

Notes forming part of the Consolidated Financial Statements

C. Other Matters

₹ Mn

Particulars	As at March 31, 2016	As at March 31, 2015
Income Tax Matters not acknowledged as debts (see a. below)	88,038.17	100,061.09
Sales Tax and Entertainment Tax Matters not acknowledged as debts (see b. below)	2,617.74	1,627.08
Service Tax Matters not acknowledged as debts (see c. below)	7,340.07	4,032.56
Entry Tax and Custom Matters not acknowledged as debts (see d. below)	402.69	453.23
Other claims not acknowledged as debts (see e. below)	2,815.42	2,663.11

a. Income Tax Matters:

- Appeals filed by the holding 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 pre-paid margin allowed to prepaid distributors & roaming settlements, disallowance of interest proportionate to interest free advances given to wholly owned subsidiaries etc.
- Appeals filed for tax demand on the net value of assets and liabilities vested with the holding company consequent to High Court approved de-merger of telecom undertaking from its wholly owned subsidiary.
- Appeals filed for tax demand of alleged short term capital gain on the fair valuation of investment in JV done as per High Court approved scheme.
- Appeal filed for tax demand on difference between revalued figure of Investment in Indus held through a wholly owned subsidiary and book value of PI assets transferred to step down subsidiary through High Court approved scheme.

b. 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.
- In one State, Telecom services are included in the definition of goods/services and demands raised on revenue by State tax authorities. Constitutional validity of such levy has been challenged in J&K High Court.
- 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.

c. Service Tax:

Service tax 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.

d. Entry tax:

In certain States entry tax is being demanded on receipt of material from outside the state. However, the Company has challenged the constitutional validity of the levy.

e. Other claims not acknowledged as debts:

Mainly includes consumer forum cases, miscellaneous disputed matters with local Municipal Corporation and Electricity Board and others.

36. Group's share in certain disputed tax demand notices and show cause notices relating to Direct and Indirect tax matters amounting to ₹ 2,198.40 Mn. (Previous year ₹ 2,402.08 Mn.) have neither been acknowledged as claims nor considered as contingent liabilities by the Joint Venture of the Company. Based on internal assessment and independent advice taken from tax experts by the Joint Venture, the Joint Venture is of the view that the possibility of any of these tax demands materialising is remote.

Notes forming part of the Consolidated Financial Statements

37. Details of Guarantees given:

₹ Mn

Particulars	As at March 31, 2016	As at March 31, 2015
Bank Guarantees given	96,842.27	86,474.04

38. Capital and other Commitments:

Estimated amount of commitments as on March 31, 2016 towards

- Spectrum won in auctions ₹ Nil (Previous year ₹ 282,025.25 Mn.)
- Contracts remaining to be executed for capital expenditure (net of advances) and not provided for are ₹ 20,485.56 Mn. (Previous year ₹ 28,151.30 Mn.)
- Long term contracts remaining to be executed including early termination commitments (if any) is ₹14,800.13 Mn. (Previous year ₹ 17,866.22 Mn.)

39. Auditors' Remuneration (excluding Service Tax):

₹ Mn

Particulars of remuneration to statutory auditors of respective entities	For the year ended March 31, 2016	For the year ended March 31, 2015
Audit Fees	48.32	44.55
Certification and Other Services (included in Legal and Professional Charges)	14.30	10.03
Out of pocket expenses (included in Misc Expenses)	1.21	0.77
Total Remuneration*	63.83	55.35

* Previous year excludes ₹ 8 Mn. paid to Statutory Auditors for attestation related to QIP included under share issue expenses netted off from Securities Premium.

40. Details of Current Investments:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Qty in '000	₹ in Mn.	Qty in '000	₹ in Mn.
	Units	Value	Units	Value
Birla Sun Life Cash Plus - Direct Growth	21,467.04	5,218.19	2,11,684.91	47,512.40
DSP Black Rock Liquidity Fund - Direct - Growth	-	-	237.46	475.00
Reliance Liquidity Fund - Direct - Growth	-	-	1,423.46	3,000.00
Birla Sun Life Floating Rate Fund - STP - Direct - Growth	-	-	80,568.62	15,000.00
HDFC Cash Management Fund - Savings Plan - Direct - Growth	34.81	104.00	1,19,840.03	3,500.00
ICICI Prudential Liquid - Direct - Growth	71.40	16.00	1,79,708.15	37,200.00
JP Morgan India Liquid Fund - Direct - Growth	-	-	55,087.31	1,000.00
IDFC Cash Fund - Direct - Growth	135.89	250.00	588.42	1,000.00
Tata Liquid Fund - Direct - Growth	89.48	250.00	387.34	1,000.00
DWS Insta Cash Plus Fund - Direct - Growth	-	-	5,506.14	1,000.00
Kotak Floater - ST - Direct - Growth	-	-	1,526.50	3,500.00
Birla Sun Life Savings Fund - Direct - Growth	12,448.39	3,657.56	4,095.74	1,079.90
Religare Invesco Liquid Fund - Direct - Growth	479.94	1,000.00	-	-

Notes forming part of the Consolidated Financial Statements

₹ Mn

Particulars	As at March 31, 2016		As at March 31, 2015	
	Qty in '000	₹ in Mn.	Qty in '000	₹ in Mn.
	Units	Value	Units	Value
HDFC Liquid Fund - Direct – Growth	334.71	1,000.00	-	-
Reliance Liquid Fund - TP - Direct – Growth	270.89	1,000.00	-	-
ICICI Prudential Money Market Fund - Direct- Growth	4,775.70	1,000.00	-	-
Reliance Liquid Fund-Treasury Plan – Direct Plan - Growth Plan-Growth Option-LFAG	28.17	104.00	-	-
Kotak Liquid Scheme Plan A – Direct Plan - Growth	31.26	96.00	-	-
SBI Premier Liquid Fund – Direct Plan – Growth	13.46	32.00	-	-
Total	40,181.14	13,727.75	660,654.08	115,267.30

41. Personnel Expenditure includes ₹ 317.24 Mn. (Previous year ₹ 313.29 Mn.), being the amortisation of intrinsic value of ESOPs for the year ending March 31, 2016.

Had the compensation cost for the Company's stock based compensation plan been determined as per fair value approach (calculated using Black & Scholes Option Pricing Model), the Company's net income would be lower by ₹ 296.69 Mn. (Previous year ₹ 542.82 Mn.) and earnings per share would be as indicated below:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Net Profit after Tax but before Exceptional items	30,799.29	31,929.06
Add: Total stock-based employee compensation expense determined under intrinsic value base method	317.24	313.29
Less: Total stock-based employee compensation expense determined under fair value base method	613.93	856.11
Adjusted Net Profit	30,502.60	31,386.24
Basic Earnings per share (in ₹)		
– As Reported	8.56	9.03
– Adjusted	8.47	8.87
Diluted Earnings per share (in ₹)		
– As Reported	8.53	8.99
– Adjusted	8.45	8.84

The fair value of each option 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	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II
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

Notes forming part of the Consolidated Financial Statements

Particulars	ESOS 2013					
	Tranche I		Tranche II		Tranche III	
	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units
Dividend yield (%)	0.24	0.24	0.40	0.40	0.51	0.51
Expected life	6 yrs 6 months	5 yrs 6 months	6 yrs 6 months	5 yrs 6 months	6 yrs 6 months	5 yrs 6 months
Risk free interest rate (%)	8.81-8.95	8.91	8.04-8.06	8.05	7.42 – 7.66	7.60
Volatility (%)	34.13-44.81	43.95	34.28–42.65	35.66	34.70–35.33	34.24

42. Details of Foreign Currency Exposures:

a. Hedged by a Derivative Instrument:

Amount in Mn

Particulars	As at March 31, 2016	As at March 31, 2015
Foreign Currency Loan:		
Foreign Currency Loan in USD	254.05	528.21
Equivalent INR of Foreign Currency Loan	18,996.80	33,695.31
Trade Payables and Other Current Liabilities:		
Trade Payables in USD	62.47	32.63
Interest accrued but not due on Foreign Currency Loans in USD	0.41	1.56
Equivalent INR of Trade payables and Other Current Liabilities	4,294.82	2,161.31

b. Not Hedged by a Derivative Instrument or otherwise:

Amount in Mn

Particulars	As at March 31, 2016	As at March 31, 2015
Foreign Currency Loan:		
Foreign Currency Loan in USD	473.75	473.75
Equivalent INR of Foreign Currency Loan	31,425.32	29,652.49
Trade Payables:		
Trade Payables in USD	60.36	40.73
Trade Payables in EURO	0.12	0.33
Trade Payables in GBP	-	0.02
Interest accrued but not due on Foreign Currency Loans in USD	3.34	4.72
Equivalent INR of Trade Payables & Interest accrued in Foreign Currency	4,234.46	2,869.59
Trade Receivables:		
Trade Receivables in USD	13.53	15.37
Trade Receivables in EURO	0.29	0.08
The Equivalent INR of Trade Receivables in Foreign Currency	919.48	969.42

Notes forming part of the Consolidated Financial Statements

43. Employee Benefits:

- a) **Defined Benefit Plan:** The Group provides for its liability towards gratuity as per the actuarial valuation. The present value of the accrued gratuity minus fund value is provided in the books of accounts.

- i) Changes in benefit obligation for the Company and its Subsidiaries:

		₹ Mn	
Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	Assumptions		
	Discount Rate	8.10%	8.00%
	Expected Return on Plan Assets	9.00%	9.00%
	Salary Escalation	8.00%	7.00%
2	Table showing changes in Present Value of Obligations		
	Present Value of Obligations as at beginning of year	1,476.08	1,062.86
	Interest Cost	131.55	108.60
	Current Service Cost	212.83	165.93
	Benefits Paid	(63.86)	(48.60)
	Actuarial (Gain)/Loss on obligations	211.71	187.29
	Present value of obligations as at end of year	1,968.31	1,476.08
3	Table showing changes in the Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of year	238.99	253.42
	Expected Return on Plan Assets	20.10	21.95
	Contributions	220.93	13.34
	Benefits Paid	(63.86)	(48.60)
	Actuarial Gain/(Loss) on Plan assets	9.42	(1.12)
	Fair Value of Plan Assets at the end of year	425.58	238.99
	Funded Status	1,542.73	1,237.09
	Actual Return on Plan Assets	29.51	20.82
4	Actuarial Gain/Loss recognised		
	Actuarial Gain/(Loss) for the year – Obligation	(211.71)	(187.29)
	Actuarial (Gain)/Loss for the year – Plan Assets	(9.42)	1.12
	Total (Gain)/Loss for the year	202.29	188.41
	Actuarial (Gain)/Loss recognised in the year	202.29	188.41
5	The amounts to be recognised in the Balance Sheet		
	Present Value of Obligations as at the end of year	1,968.31	1,476.08
	Fair Value of Plan Assets as at the end of the year	425.58	238.99
	Funded Status	1,542.73	1,237.09
	Net Asset/(Liability) recognised in Balance Sheet	(1,542.73)	(1,237.09)
6	Expenses Recognised in Statement of Profit & Loss		
	Current Service cost	212.83	165.93
	Interest Cost	131.55	108.60
	Expected Return on Plan Assets	(20.10)	(21.95)
	Net Actuarial (Gain)/Loss recognised in the year	202.29	188.41
	Expenses recognised in Statement of Profit & Loss	526.57	440.99
7	Investment Details of Plan Assets (% allocation)		
	Insurer Managed Funds*	100%	100%

Notes forming part of the Consolidated Financial Statements

₹ Mn

Sr. No.	Particulars	For the year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
8	Experience Adjustments					
	Defined Benefit Obligation	1,968.31	1,476.08	1,062.86	959.38	473.25
	Plan Assets	425.58	238.99	253.42	225.55	210.06
	Surplus/(Deficit)	(1,542.73)	(1,237.09)	(809.44)	(733.83)	(263.19)
	Experience Adjustments on Plan Liabilities	(0.73)	(6.92)	34.07	116.21	25.64
	Experience Adjustments on Plan Assets	9.42	(1.12)	1.63	1.98	2.59

*The funds are managed by LIC and LIC does not provide breakup of plan assets by investment type.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii) Disclosure of benefit obligation in respect of Company's share in Joint Ventures

a) **Gratuity cost for the year**

₹ Mn

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Current Service Cost	7.20	6.08
Interest Cost	2.08	1.92
Actuarial Losses	4.32	2.78
Total amount recognised in Statement of Profit and Loss	13.60	10.78

b) **Amount recognised in the Balance Sheet**

₹ Mn

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Defined Benefit Obligation	28.22	21.44
Total amount recognised in Statement of Profit and Loss	13.60	10.78
Benefits paid during the year	(5.83)	(4.00)
Amount recognised in the Balance Sheet	35.99	28.22

c) **Experience Adjustments**

₹ Mn

Particulars	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	35.99	28.22	21.44	16.96	12.80
Surplus/(Deficit)	(35.99)	(28.22)	(21.44)	(16.96)	(12.80)
Experience Adjustments on Plan Liabilities	2.24	0.48	0.96	0.48	0.80

d) **Financial Assumptions**

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	8%	7.75%
Salary Escalation Rate	8.50%	7.26%

e) The Joint Venture does not have any funded assets.

Notes forming part of the Consolidated Financial Statements

- b) **Defined Contribution Plan:** During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

	₹ Mn	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Employers' Contribution to Provident & Pension Fund	494.68	439.88
Employers' Contribution to Superannuation Fund	77.66	64.70

44. Segment Reporting:

1. Primary Segments:

The Group operates in three business segments:

- 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.

Transactions between segments are accounted on agreed terms on arm's length basis and have been eliminated at the Group level.

2. Secondary Segment:

The Group caters only to the needs of Indian market representing a singular economic environment with similar risks and rewards and hence there are no reportable geographical segments

Primary Business Information (Business Segments) for the year ended March 31, 2016:

					₹ Mn
Particulars	Business Segments			Elimination	Total
	Mobility	ILD	PI		
Revenue					
External Revenue	351,550.07	6,983.59	1,275.81	-	359,809.47
Inter-segment Revenue	2,208.90	1,419.71	27,004.43	(30,633.04)	-
Total Revenue from Operations	353,758.97	8,403.30	28,280.24	(30,633.04)	359,809.47
Segment Result	55,249.39	768.83	7,773.59	-	63,791.81
Other Income					2,271.17
Interest & Finance Charges					(18,816.42)
Profit before Tax					47,246.56
Provision for Tax (Net)					(16,447.27)
Profit after Tax					30,799.29
Other information					
Segment Assets	742,967.11	1,476.18	42,234.88	(7,124.94)	779,553.23
Unallocated Corporate Assets	-	-	-	-	46,948.13
Total Assets					826,501.36
Segment Liabilities	519,706.33	739.80	20,654.18	(7,124.94)	533,975.37
Unallocated Corporate Liabilities	-	-	-	-	34,850.58
Total Liabilities					568,825.95
Capital Expenditure	399,614.50	56.95	4,710.28	-	404,381.73
Depreciation & Amortisation	61,958.50	36.74	5,081.74 [#]	-	67,076.98

Notes forming part of the Consolidated Financial Statements

Primary Business Information (Business Segments) for the year ended March 31, 2015:

Particulars	Business Segments			Elimination	Total
	Mobility	ILD	PI		
Revenue					
External Revenue	310,145.75	4,370.74	1,192.37	-	315,708.86
Inter-segment Revenue	1,441.81	1,440.37	25,297.35	(28,179.53)	-
Total Revenue from Operations	311,587.56	5,811.11	26,489.72	(28,179.53)	315,708.86
Segment result	47,511.68	750.76	6,818.01	-	55,080.45
Other Income					4,696.72
Interest & Finance Charges					(10,451.85)
Profit before Tax					49,325.32
Provision for Tax (Net)					(17,396.26)
Profit after Tax					31,929.06
Other Information					
Segment Assets	417,666.73	1,194.34	43,582.31	(7,112.58)	455,330.80
Unallocated Corporate Assets	-	-	-	-	149,337.31
Total Assets					604,668.11
Segment Liabilities	336,958.72	491.56	21,804.88	(7,112.58)	352,142.58
Unallocated Corporate Liabilities	-	-	-	-	22,233.14
Total Liabilities					374,375.72
Capital Expenditure	46,803.49	25.31	4,052.85	-	50,881.65
Depreciation & Amortisation	48,513.86	36.48	5,232.80 [#]	-	53,783.14

[#] includes depreciation charge on fair value portion of fixed assets by joint venture ₹ 569.20 Mn. (Previous year ₹ 746.92 Mn.) adjusted to General Reserve.

45. Related Party Transactions:

As per Accounting Standard-18 on "Related Party Disclosure", related parties of the Company are disclosed below:

A. List of related Parties:

Promoters

Hindalco Industries Limited (Hindalco)
 Grasim Industries Limited (Grasim)
 Aditya Birla Nuvo Limited (ABNL)
 Birla TMT Holdings Pvt. Limited (Birla TMT)

Entities having significant Influence

Axiata Investments 1 (India) Ltd.(AI1)
 Axiata Investments 2 (India) Ltd.(AI2)
 Axiata Group Berhad (AGB)

Associates

Aditya Birla Idea Payments Bank Limited (ABIPBL)

Key Management Personnel (KMP)

Mr. Himanshu Kapania, MD
 Mr. Akshaya Moondra, CFO

Notes forming part of the Consolidated Financial Statements

B. Transactions with Related Parties:

Particulars	₹ Mn								
	Promoters			Associate		Entities having Significant Influence			KMP
	Hindalco	Grasim	ABNL	Birla TMT	ABIPBL	AI2	AI1	AGB	
Remuneration									119.74 (132.22)
Purchase of Service/Goods	2.21 (0.83)	20.50 (0.10)							
Sale of Service/Goods	27.21 (28.71)	22.23 (19.01)	28.76 (22.34)						0.07 (0.02)
Expenses incurred by Company on behalf of	0.14 (0.35)	0.11 (0.09)	0.35 (0.29)		14.38 (-)				
Expenses incurred on Company's behalf by			- (0.02)						
Interest paid on NCD	9.45 (9.45)								
Dividend on Equity Shares	137.00 (91.34)	102.61 (68.41)	502.52 (335.01)	170.14 (113.43)		148.36 (98.91)	278.84 (185.89)		0.25 (0.15)
Issue of Equity Shares						- (7,500.00)			
Investments					2.45 (-)				
Director's Commission								1.58 (1.27)	
Sitting Fees								0.20 (-)	

(Figures in bracket are for the year ended March 31, 2015)

C. Outstanding as at March 31, 2016:

Particulars	₹ Mn				
	Promoters			Associate	KMP
	Hindalco	Grasim	ABNL	ABIPBL	
Remuneration Payable					50.71 (63.57)
Trade Receivable	1.75 (2.69)	0.88 (0.66)	0.95 (3.24)		
Trade Payable	0.86 (0.28)	16.25 (0.06)			
Other receivables		0.05 (-)		14.38 (-)	
Other Payable			0.02 (-)		
9.45% Redeemable NCD	100.00 (100.00)				
Interest accrued but not due on the above NCD's	3.92 (3.91)				

(Figures in bracket are as at March 31, 2015)

Notes forming part of the Consolidated Financial Statements

46. 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 & Loss.

47. Operating Lease: As a 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. For the current year, total minimum lease payments amounting to ₹ 31,808.44 Mn. (Previous year ₹ 27,303.32 Mn.) is charged to the Statement of Profit & Loss.

The future minimum lease payments in respect of the above are as follows:

Particulars	₹ Mn		
	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum Lease Payments	26,623.36	78,484.43	39,359.42
	(22,834.38)	(69,527.11)	(37,666.91)

(Figures in bracket are as at March 31, 2015)

Operating Lease: As a Lessor

The Group has leased under operating lease arrangements certain Cell Sites and Optical Fibre Cables (OFC) on Indefeasible Rights of Use ("IRU") basis. The gross block, accumulated depreciation and depreciation expense of the assets given on lease are not separately identifiable and hence not disclosed.

The future minimum lease receivables in respect of the above are as follows:

Particulars	₹ Mn		
	Not later than one year	Later than one year but not later than five years	Later than five years
Minimum Lease receivables	2,010.35	7,834.28	7,470.09
	(1,266.43)	(4,275.71)	(4,690.82)

(Figures in bracket are as at March 31, 2015)

48. The Company has a composite IT outsourcing agreement wherein fixed assets and services related to IT has been supplied by the vendor. Such fixed assets received have been accounted for as a 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.

49. Basic & Diluted Earnings per Share:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Nominal value of Equity Shares (₹)	10/-	10/-
Profit after Tax (₹ Mn.)	30,799.29	31,929.06
Profit attributable to equity shareholders (₹ Mn.)	30,799.29	31,929.06
Weighted average number of equity shares outstanding during the year	3,599,336,054	3,536,845,592
Basic Earnings Per Share (₹)	8.56	9.03
Dilutive effect on weighted average number of equity shares outstanding during the year	9,670,230	15,338,212
Weighted average number of diluted equity shares	3,609,006,284	3,552,183,804
Diluted Earnings Per Share (₹)	8.53	8.99

Notes forming part of the Consolidated Financial Statements

50. The Company has the following joint ventures as on March 31, 2016 and its percentage holding is given below:

Name of the Joint Venture	Percentage holding	
	As at March 31, 2016	As at March 31, 2015
Indus Towers Limited (Indus)	16.00%	16.00%

The proportionate share of assets, liabilities, income and expenditure of the above joint venture company included in these consolidated financial statements are given below:

Particulars	₹ Mn	
	As at March 31, 2016	As at March 31, 2015
Liabilities		
Reserves & Surplus	18,596.14	19,493.40
Long Term Borrowings	4,101.79	5,966.96
Other Non Current Liabilities	5,455.12	5,163.43
Deferred Tax Liability	2,674.45	2,771.89
Short Term Borrowings	-	559.09
Other Current Liabilities	10,461.98	8,030.62
Assets		
Net Block (including CWIP)	32,241.02	32,451.29
Other Non Current Assets	5,689.76	6,153.64
Current Investment	432.00	-
Other Current Assets	2,926.89	3,380.65

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenues from Operations	25,737.42	24,130.27
Other Income	54.12	93.23
Operating Costs	14,535.78	13,692.39
EBITDA	11,255.76	10,531.11
Finance Cost	835.39	1,130.38
Depreciation & Amortisation	4,186.57	4,047.64
PBT	6,233.80	5,353.09
Taxes	2,200.96	1,945.31
PAT	4,032.84	3,407.78

The proportionate share of contingent liabilities and capital commitment of the above joint venture company included in these consolidated financial statements are given below:

Particulars	₹ Mn	
	As at March 31, 2016	As at March 31, 2015
Contingent Liability	4,967.04	3,476.64
Capital Commitment	618.24	462.24

Notes forming part of the Consolidated Financial Statements

51. Information with respect to Subsidiaries as at March 31, 2016:

₹ Mn

Particulars	Aditya Birla Telecom Limited	Idea Cellular Services Limited	Idea Cellular Infrastructure Services Limited	Idea Telesystems Limited	Idea Mobile Commerce Services Limited
Capital	119.25	0.50	0.50	0.50	299.00
Reserves	80,862.47	2.95	1,170.52	238.28	(284.33)
Total Assets	3,127.60	135.80	2,561.48	231.46	133.10
Total Liabilities	3.88	132.35	1,591.66	105.78	228.43
Investments other than Investments in Subsidiary	77,858.00 #	-	201.20	113.10	110.00
Turnover (Total Revenue)	471.36	1,515.69	2,595.57	451.16	72.10
Profit/(Loss) before Taxation	464.84	8.30	649.49	13.02	(225.30)
Provision for Taxation	81.11	2.78	222.72	3.83	-
Profit/(Loss) after Taxation	383.73	5.52	426.77	9.19	(225.30)

Including the fair valued amount of investment

52. Additional Disclosure as per the requirement of Schedule III:

₹ Mn

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
Parent: Indian				
Idea Cellular Limited	89.51 (89.96)	230,640.83 (207,161.28)	84.96 (88.00)	26,166.56 (28,098.35)
Subsidiaries: Indian				
Idea Telesystems Limited	0.09 (0.10)	241.18 (230.17)	0.03 (0.28)	9.19 (88.72)
Idea Cellular Services Limited	-0.03 (-0.03)	-83.85 (-73.66)	0.02 (0.01)	5.52 (4.51)
Idea Cellular Infrastructure Services Limited	0.76 (1.17)	1,959.90 (2,691.60)	1.39 (0.66)	426.77 (211.10)
Aditya Birla Telecom Limited	2.69 (2.26)	6,927.48 (5,194.25)	1.25 (0.47)	383.73 (148.82)*
Idea Mobile Commerce Services Limited	0.01 (0.02)	17.26 (39.96)	-0.74 (-0.09)	-225.30 (-30.22)
Total (A)	93.03 (93.47)	239,702.80 (215,243.60)	86.91 (89.33)	26,766.47 (28,521.28)
Joint Venture (as per proportionate consolidation):				
Indian				
Indus Towers Limited	6.97 (6.53)	17,953.36 (15,029.54)	13.09 (10.67)	4,032.82 (3,407.78)
Total (B)	6.97 (6.53)	17,953.36 (15,029.54)	13.09 (10.67)	4,032.82 (3,407.78)
Total (A + B)	100.00 (100.00)	257,656.16 (230,273.14)	100.00 (100.00)	30,799.29 (31,929.06)

*Excluding dividend received from Indus Towers Limited, a joint venture of the company
(Figures in bracket are for the year ended March 31, 2015)

Notes forming part of the Consolidated Financial Statements

53. Asset Retirement Obligation:

The Group installs equipments on leased premises and lays down optical fibre cables (OFC) to provide seamless connectivity to its customers. In certain cases, the Group may have to incur some cost to remove such equipment and OFC. Estimated costs to be incurred for restoration is capitalised along with the assets. The movement of provision as required in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" is given below:

Particulars	₹ Mn	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Balance	3,261.28	3,183.97
Additional Provision	181.22	111.39
Utilisation	18.56	34.08
Closing Balance	3,423.94	3,261.28

54. Corporate Social Responsibility (CSR) expenditure includes contributions made by the Joint Venture to implementing agencies and foundations to execute projects and programs in the field of education, environment, home for orphans and reducing inequalities which is in accordance with their CSR policy.

Expenditure for Corporate Social Responsibility:

- a) Gross amount required to be spent by the Group during the year is ₹ 556.92 Mn.
b) Amount spent by the Group during the year on CSR activities is as below:

Sr. No	Particulars	₹ Mn		
		Amount Paid	Amount Payable	Total
1	Healthcare	62.00	4.30	66.30
2	Education	87.93	25.10	113.03
3	Sanitation	9.65	-	9.65
4	Others	-	0.01	0.01
	Total	159.58	29.41	188.99

- c) Group's share of the amount spent by JV partner for CSR activities is ₹ 59.84 Mn.

55. Please refer Note 13 and 45 for details of investment, loans made and guarantees given (if any) under Section 186 of the Companies Act, 2013.
56. The Board of Directors has recommended a dividend at the rate of ₹ 0.60 per share (Previous Year ₹ 0.60) of face value of ₹ 10/- aggregating ₹ 2,600.10 Mn. including ₹ 439.79 Mn. Dividend Distribution Tax, (Previous Year ₹ 2,598.17 Mn. including ₹ 439.46 Mn. Dividend Distribution Tax) for the year ended March 31, 2016. The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.
57. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year grouping.

For and on behalf of the Board

Arun Thiagarajan
Director

Sanjeev Aga
Director

Himanshu Kapania
Managing Director

Akshaya Moondra
Chief Financial Officer

Pankaj Kapdeo
Company Secretary

Place : Mumbai
Date : April 28, 2016

Consolidated Cash Flow Statement for the year ended March 31, 2016

₹ Mn

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A) Cash Flow from Operating Activities		
Net Profit after Tax	30,799.29	31,929.06
Adjustments For		
Depreciation	51,959.36	45,896.47
Amortisation of Intangible Assets	14,548.42	7,139.75
Interest and Finance Charges	18,816.42	10,451.85
Dividend Income and Profit on sale of Current Investments	(1,952.40)	(3,581.81)
Bad Debts / Advances written off	1,328.12	1,043.19
Provision for Bad & Doubtful Debts / Advances	318.98	42.68
Employee Stock Option Cost	317.24	313.29
Provision for Gratuity and Compensated Absences	593.24	691.50
Provision for Deferred Tax	11,698.43	882.41
Provision for Current Tax (Net of MAT Credit Entitlement)	4,748.84	16,513.85
Liabilities / Provisions no longer required written back	(266.38)	(256.28)
Interest Income	(318.77)	(1,114.91)
Loss / (Gain) on sale of Fixed Assets / Assets disposed off	(225.99)	(269.97)
	101,565.51	77,752.02
Operating profit before Working Capital Changes	132,364.80	109,681.08
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(3,634.14)	(2,868.77)
(Increase)/Decrease in Inventories	(355.07)	(27.26)
(Increase)/Decrease in Other Current and Non Current Assets	171.16	1,424.23
(Increase)/Decrease in Long Term and Short Term Loans and Advances	(5,941.63)	(94.57)
Increase /(Decrease) in Trade Payables, Other Current and Non Current Liabilities and Provisions	6,330.73	7,106.42
	(3,428.95)	5,540.05
Cash generated from Operations	128,935.85	115,221.13
Tax paid (including TDS) (Net)	(10,788.55)	(11,042.55)
Net Cash from / (used in) Operating Activities	118,147.30	104,178.58
B) Cash Flow from Investing Activities		
Purchase of Fixed assets & Intangible assets (including CWIP)	(75,524.26)	(42,277.71)
Payment towards Spectrum and Licenses*	(58,081.99)	(19,350.00)
Proceeds from sale of Fixed Assets	367.58	701.76
Investment in Aditya Birla Idea Payments Bank Limited	(2.45)	-
Profit on sale of Current Investments, Dividend and Interest Received	3,312.76	3,669.69
Net Cash from / (used in) Investing Activities	(129,928.36)	(57,256.26)
C) Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	175.11	37,373.96
Proceeds from Long Term Borrowings*	2,507.23	82,265.73
Repayment of Long Term Borrowings	(103,246.39)	(25,708.16)
Proceeds from Short Term Borrowings	17,182.67	1,911.66

Consolidated Cash Flow Statement for the year ended March 31, 2016

₹ Mn

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Repayment of Short Term Borrowings	(3,001.78)	(6,114.58)
Payment of Dividend, including dividend tax	(2,598.19)	(2,792.49)
Payment of Interest and Finance Charges	(8,504.71)	(6,656.34)
Net Cash from / (used in) Financing Activities	(97,486.06)	80,279.78
Net Increase / (Decrease) in Cash and Cash Equivalents	(109,267.12)	127,202.10
Cash and Cash Equivalents at the beginning	130,745.29	3,543.19
Cash and Cash Equivalents at the end	21,478.17	130,745.29

* Excluding deferred payment liability towards spectrum won in auction, being non cash transaction

Notes to Cash flow Statement for the year ended March 31, 2016

1. Cash and Cash Equivalents include the following Balance Sheet amounts:

Cash on hand	18.51	15.94
Cheques on hand	86.73	79.48
Balances with banks		
– In Current Accounts	348.39	381.93
– In Deposit Accounts	7,296.79	15,000.64
Investment in Units of Mutual Funds	13,727.75	115,267.30
	<u>21,478.17</u>	<u>130,745.29</u>

2. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Khurshed Pastakia
Partner
Membership No.: 31544

Place : Mumbai
Date : April 28, 2016

For and on behalf of the Board

Arun Thiagarajan
Director

Akshaya Moondra
Chief Financial Officer

Sanjeev Aga
Director

Pankaj Kapdeo
Company Secretary

Himanshu Kapania
Managing Director

This image shows a full page of white paper with horizontal grey ruling lines. The lines are evenly spaced and run across the width of the page. At the top center, there is a header area containing the word "NOTES" in bold black capital letters. The rest of the page is filled with the ruled lines, providing space for writing.

This image shows a full page of white paper with horizontal grey ruling lines. The lines are evenly spaced and run across the width of the page. At the top center, there is a header area containing the word "NOTES" in bold black capital letters. The rest of the page is left blank for writing.



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