

Quarterly report on the results for the fourth quarter and full year ended March 31, 2011

Bharti Airtel Limited

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India



May 05, 2011

The financial statements included in this quarterly report fairly presents in all material respects the financial condition, results of operations, cash flows of the company as of, and for the periods presented in this report.

Supplemental Disclosures

Safe Harbor: - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

General Risk: - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of Bharti Airtel including the risks involved.

Convenience translation: - We publish our financial statements in Indian Rupees. All references herein to "Indian Rupees" and "Rs" are to Indian Rupees and all references herein to "US dollars" and "US\$" are to United States dollars. All translations from Indian Rupees to United States dollars were made (unless otherwise indicated) using the rate of Rs 44.65 = US \$1.00. Similarly all transactions from United States Dollars to Indian Rupees were made (unless otherwise stated) using the rate of US\$ 0.0224 = Re.1, being the RBI Reference rate as announced by the Reserve Bank of India on March 31, 2011. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off. Information contained on our website www.airtel.in is not part of this quarterly report.

Functional Translation (Africa & Africa Others): - Wherever Africa and Africa Others financials are reported in the quarterly report, the same are published in their functional currency i.e. US\$.

Use of Certain Non-GAAP measures: - This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standards (IFRS), but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

Further disclosures are also provided under "Use of Non - GAAP financial information" on page 26

Others: In this report, the terms "we", "us", "our", "Bharti", or "the Company", unless otherwise specified or the context otherwise implies, refer to Bharti Airtel Limited ("Bharti Airtel") and its subsidiaries, Bharti Hexacom Limited ("Bharti Hexacom"), Bharti Airtel Services Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited), Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Network i2i Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited), Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, Airtel Bangladesh Limited, Airtel M Commerce Services Limited, Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd), Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd), Bharti Airtel International (Mauritius) Limited, Indian Ocean Telecom Limited, Telecom Seychelles Limited, Bharti Airtel Africa B.V., Bharti Airtel Acquisition Holdings B.V., Bharti Airtel Burkina Faso Holdings B.V., Bharti Airtel Cameroon Holdings B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Gabon Holdings B.V., Bharti Airtel Ghana Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Sierra Leone Holdings B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Zap Mobile Commerce B.V., Zap Holdings B.V., Airtel Burkina Faso S.A., Celtel Chad S.A., Airtel Congo S.A., Celtel Congo RDC S.a.r.l., Celtel Gabon S.A., Airtel (Ghana) Limited, Airtel Network Kenya Limited, Airtel Madagascar S.A., Airtel Malawi Limited, Celtel Niger S.A., Airtel Networks Limited, Airtel Tanzania Limited, Airtel Uganda Limited, Celtel Zambia plc, Bharti Airtel DTH Holdings B.V., Celtel Cameroon SA, Partnership Investments Sprl, MSI-Celtel Nigeria Limited, Celtel (Mauritius) Holdings Limited, Channel Sea Management Co Mauritius Limited, Zain (IP) Mauritius Limited, Montana International, Zap Trust Company Nigeria Limited, Zain Mobile Commerce Tchad SARL, ZMP Ltd. (Zambia), Zap Trust Company Ltd. (Malawi), Zap Trust Company Ltd. (Ghana), Zap Trust Company Ltd. (Kenya), Zap Niger S.A. (Niger), Zap Trust Company (SL) Ltd. (Sierra Leone), Zap Trust Company Uganda Ltd., Africa Towers N.V., Airtel DTH Services Ghana Limited, Airtel DTH Services Malawi Limited, Airtel DTH Services Uganda Limited, Airtel Towers (Ghana) Limited, Malawi Towers Limited, Mobile Commerce Gabon S.A, Société Malgache de Telephonie Cellulaire SA, Uganda Towers Limited, Zap Trust Company Tanzania Limited, Airtel (SL) Limited, Airtel DTH Services (K) Limited, Airtel DTH Services (Sierra Leone) Limited, Airtel DTH Services Burkina Faso S.A., Airtel DTH Services Congo (RDC) S.p.r.l., Airtel DTH Services Congo S.A., Airtel DTH Services Gabon S.A., Airtel DTH Services Madagascar S.A., Airtel DTH Services Niger S.A., Airtel DTH Services Nigeria Limited, Airtel DTH Services T.Chad S.A., Airtel DTH Services Tanzania Limited, Airtel DTH Services Zambia Limited, Airtel Money (RDC) S.p.r.l., Airtel Towers S.L. Limited, Burkia Faso Towers S.A., Congo RDC Towers S.p.r.l., Congo Towers S.A., Gabon Towers S.A., Kenya Towers Limited, Madagascar Towers S.A., Mobile Commerce Congo S.A., Niger Towers S.A., Tanzania Towers Limited, Tchad Towers S.A., Towers Support Nigeria Limited, Zain Developers Form, Zambia Towers Limited, Zap Trust Burkina Faso S.A.

Disclaimer: - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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Section 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended		IFRS	Quarter Ended					
		USGAAP	IFRS		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
		2009	2010		2011	Mar 2010	Jun 2010	Sep 2010	Dec 2010	Mar 2011
<u>Operating Highlights</u>										
Total Customer Base	000's	97,594	137,013	220,877	137,013	183,372	194,823	207,799	220,877	
Total Minutes on Network	Mn Min	506,070	643,109	890,093	182,001	206,213	216,373	227,262	240,245	
Network Sites	Nos	93,368	107,443	131,304	107,443	118,963	123,869	127,878	131,304	
Total Employees ²	Nos	24,839	18,791	23,371	18,791	25,304	24,766	24,501	23,371	
No. of countries of operation	Nos	2	3	19	3	18	19	19	19	
Population Covered	bn	1.18	1.36	1.83	1.36	1.82	1.82	1.82	1.83	
<u>Consolidated Financials</u>										
Total Revenue	Rs mn	369,615	418,472	594,672	107,491	122,308	152,150	157,560	162,654	
EBITDA	Rs mn	151,678	167,633	199,664	40,829	44,140	51,212	49,816	54,496	
Cash profit from operations before Derivative & Exchange Fluctuations	Rs mn	151,990	162,301	179,527	39,588	42,103	45,399	43,854	48,171	
Cash profit from operations after Derivative & Exchange Fluctuations	Rs mn	140,065	167,455	177,851	41,185	39,942	47,893	42,346	47,670	
Profit / (Loss) before Tax	Rs mn	93,073	105,091	76,782	24,411	20,719	22,267	15,495	18,302	
Net income	Rs mn	84,699	89,768	60,467	20,443	16,816	16,612	13,033	14,007	
Capex	Rs mn	140,171	96,431	142,622	18,564	18,361	33,047	43,210	48,004	
Operating Free Cash Flow (EBITDA - Capex)	Rs mn	11,507	71,202	57,042	22,265	25,779	18,165	6,606	6,492	
Net Debt	Rs mn	69,635	23,920	599,512	23,920	602,308	601,438	598,477	599,512	
Shareholder's Equity	Rs mn	303,945	421,940	487,668	421,940	435,037	462,174	467,838	487,668	
<u>Consolidated Financials</u>										
Total Revenue	US\$ Mn	7,254	9,271	13,319	2,381	2,625	3,387	3,516	3,643	
EBITDA	US\$ Mn	2,977	3,714	4,472	904	947	1,140	1,112	1,221	
Cash profit from operations before Derivative & Exchange Fluctuations	US\$ Mn	2,983	3,595	4,021	877	904	1,011	979	1,079	
Cash profit from operations after Derivative & Exchange Fluctuations	US\$ Mn	2,749	3,710	3,983	912	857	1,066	945	1,068	
Profit / (Loss) before Tax	US\$ Mn	1,827	2,328	1,720	541	445	496	346	410	
Net income	US\$ Mn	1,662	1,989	1,354	453	361	370	291	314	
Capex	US\$ Mn	2,751	2,136	3,194	411	394	736	964	1,075	
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	226	1,577	1,278	493	553	404	147	145	
Net Debt	US\$ Mn	1,367	530	13,427	530	12,925	13,389	13,356	13,427	
Shareholder's Equity	US\$ Mn	5,966	9,347	10,922	9,347	9,336	10,289	10,440	10,922	
<u>Key Ratios</u>										
EBITDA Margin	%	41.0%	40.3%	34.3%	38.0%	36.1%	33.7%	31.6%	33.5%	
Net Profit Margin	%	22.9%	21.5%	10.2%	19.0%	13.7%	10.9%	8.3%	8.6%	
Net Debt to Funded Equity Ratio	Times	0.23	0.06	1.23	0.06	1.38	1.30	1.28	1.23	
Return on Shareholder's Equity	%	32.5%	29.0%	13.3%	25.1%	21.3%	18.5%	15.4%	13.3%	
Return on Capital employed	%	30.4%	24.4%	10.8%	21.6%	18.4%	13.9%	11.2%	9.2%	

1. Exchange rates used for Rupee conversion to US\$ is (a) Rs.50.95 for the financial year ended March 31, 2009 (b) Rs. 45.14 for the quarter ended March 31, 2010, (c) Rs. 46.60 for the quarter ended June 30, 2010, (d) Rs. 44.92 for the quarter ended September 30, 2010, (e) Rs. 44.81 for the quarter ended December 31, 2010 (f) Rs. 44.65 for the quarter ended March 31, 2011 being the RBI Reference rate as announced by The Reserve Bank of India at the end of the respective periods.

2. Total employees include proportionate consolidation of 42% of Indus Towers Employees.

3. The EBITDA is after acquisition and re-branding related costs.

For the quarter and full year ended March 31, 2010 the acquisition related cost was Rs 976 mn. For the quarter ended June 30, 2010 the acquisition related cost was Rs 982 mn and for the quarter ended December 31, 2010 the re-branding related cost was Rs 3,395 mn.

4. All the above numbers have been translated at the quarter end rates based convenience, although the actual reported results of Africa & Africa Others in the subsequent schedules are in their functional currency i.e. US\$.

Section 2

AN OVERVIEW

2.1 Introduction

We are one of world's leading providers of telecommunication services with presence in all the 22 licensed jurisdictions (also known as Telecom Circles) in India, and operations in Srilanka, Bangladesh and Africa. We served an aggregate of 220.9 million customers as of March 31, 2011.

We are the largest wireless service provider in India, based on the number of customers as of March 31, 2011. We offer an integrated suite of telecom solutions to our enterprise customers, in addition to providing long distance connectivity both nationally and internationally. We also offer Digital TV and IPTV Services. All these services are rendered under a unified brand "airtel". The company also deploys, owns and manages passive infrastructure pertaining to telecom operations under its subsidiary Bharti Infratel Limited. Bharti Infratel owns 42% of Indus Towers Limited. Bharti Infratel and Indus Towers are amongst top providers of passive infrastructure services in India.

2.2 Business Divisions

2.2.1 India & South Asia

Mobile Services (India & South Asia) - We offer mobile services using GSM technology in South Asia across India, Sri Lanka and Bangladesh, serving over 167 million customers in these geographies.

We have over 162 million mobile customers in India as on March 31, 2011, which makes us the largest wireless operator in India both in terms of customers with a customer market share of 20% and revenues with a revenue market share of over 30%. We offer post-paid, pre-paid, roaming, internet and other value added services through our extensive sales and distribution network covering over 1.6 million outlets. Our network is present in 5,113 census towns and 452,215 non-census towns and villages in India, covering approximately 86.1% of the country's population. We have recently launched 3G services in key cities of the country offering host of innovative services to our customers like Mobile TV entertainment, video calls, live streaming of videos, high definition gaming along with access to high speed internet.

Our national long distance infrastructure comprises of 144,557 Rkms of optical fibre, providing us a pan India reach.

Airtel Sri Lanka has 1.81 million customers with presence in all 25 administrative districts of Sri Lanka. We have launched 3.5G services in major towns and have created a nation wide distribution network comprising over 26,000 retailers.

Airtel Bangladesh has 3.7 million customers and offers mobile services across 64 districts of Bangladesh with a distribution network of over 64,000 retailers across the country. The burgeoning economy of Bangladesh coupled with low penetration of approx 43% and a strong youth base presents a unique market opportunity for telecom services.

Telemedia Services – We provide broadband (DSL), data and telephone services (fixed line) in 87 cities with concerted focus on the various data solutions for the Small & Medium Business (SMB) segment. We had 3.3 million customers as on March 31, 2011 of which 43.1% subscribed to our broadband / internet services.

Our product offerings in this segment include fixed-line telephones providing local, national and international long distance voice connectivity, broadband Internet access through DSL, internet leased lines as well as MPLS solutions.

We remain strongly committed to our focus on the SMB segment by providing a range of Telecom & Software solutions and aim to achieve revenue leadership in this rapidly growing segment of the ICT market. The strategy of our Telemedia Services business unit is to focus on cities with high revenue potential.

Enterprise Services - Enterprise Services is India's leading provider of communications services to large Indian and Global Enterprise and Carrier customers. We deliver end to end telecom solutions to corporates by serving as the single point of contact for all telecommunication needs across data, voice, network integration, and managed services. We are regarded as the trusted communications partner to India's leading organizations, helping them to meet the challenges of growth.

We own state of the art national and international long distance network infrastructure, enabling us to provide connectivity within India and also connecting India to the world.

Our international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and our investments in new cable systems such as Asia America Gateway (AAG), India Middle East and Western Europe (IMEWE), Unity North, EIG (Europe India Gateway) and East Africa Submarine System (EASSy) expanding our global network to over 225,000 Rkms, covering 50 countries across 5 Continents. We also have terrestrial express connectivity to neighboring countries including Nepal, Pakistan, Bhutan and China.

Digital TV Services – Airtel digital TV has over 5.6 million customers and continues to add 1 out of every 4 new customers joining the Direct-To-Home (DTH) platform. We also offer Airtel Digital TV recorder and High Definition (HD) set top boxes delivering superior customer experience. We are the first company in India that provides real integration of all the three screens viz. TV, Mobile and Computers enabling our customers' record their favorite TV programs through mobile and web. We continue to expand the distribution, going beyond 9,000 towns and deep into rural India.

Passive Infrastructure Services – Bharti Infratel provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns and manages passive infrastructure in 11 circles of India. Infratel also holds 42% share in Indus Towers (a Joint Venture between Bharti Infratel, Vodafone and Idea Cellular). Indus operates in 15 circles (4 circles common with Infratel, 11 circles on exclusive basis).

Bharti Infratel has 32,792 towers in 11 circles, excluding the 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from January 1, 2009. Indus Towers has a portfolio of 108,586 towers including the towers under right of use.

2.2.2 Africa

Mobile Services (Africa) - Airtel Africa has over 44 million customers, across the 16 countries that we operate in. We have made significant progress in establishing Airtel as the most loved Brand in the daily Lives of African people.

During the quarter, we have added 2.1 million customers, and we see significant potential in accelerating this as the network rolls out along with enhanced brand presence.

The performance during the quarter could have been better, but for the impact that customer registrations has had on the overall customer additions.

This notwithstanding, we continue to be excited by the results that we have seen so far. We have seen a strengthening in the rate per minute and have maintained our ARPU despite a marginal drop in MOU per customer as we continue to gain a higher share of the high value customers. Additionally, our non-voice focus also seems to be bearing fruit as we have largely maintained our share of the non-voice revenue in this quarter.

Africa Others – It comprises of investment holding companies for Africa mobile operations.

2.3 Partners

Strategic Equity Partners - We have a strategic alliance with SingTel, which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. The investment made by SingTel in Bharti is one of their largest investments made in the world outside Singapore.

Equipment and Technology Partners - We have forged long term strategic partnerships in all areas including equipment and technology, building upon the unique outsourcing business models we have pioneered. Our business models have enabled us partner with global leaders who share our drive for co-creating innovative and tailor solutions for the markets we operate in.

On the GSM/Wireless equipment side, we have partnered with Ericsson, Nokia Siemens Networks (NSN) and Huawei for our Networks in India, Sri Lanka and Bangladesh. We have entered into Supply & Services Contracts for 3G Mobile Services in India with Ericsson, NSN & Huawei. These partners will plan, design, deploy and maintain a state of the art 3G mobile network in Bharti Airtel 3G license circles. We also entered into a strategic contract with Ericsson & Huawei for 2G/2.5G Network expansion in Bangladesh which includes network design, planning, equipment supply, implementation, and project management.

Besides 3G Radio access network with strategic partners, we have also partnered with Alcatel Lucent, Huawei, ECI, Tejas Networks and Cisco for Fiber/ Carrier ethernet based 3G backhaul products supply and deployment.

Alcatel Lucent (ALU) is our Wire-line Access Network Managed Services partner through a JV Company. They are also responsible for deployment of Fibre/ Copper and service provisioning. However we are free to choose the Electronic Equipment, Switches and Routers from any other competent suppliers and we do purchase equipment from world leaders like Cisco, Juniper, ECI, Tellabs and others in addition to the strategic partners mentioned above.

IBM is our strategic partner for all business and enterprise IT systems. Our path breaking contract with IBM caters to, among other things, technology evolution, scale, tariff changes and subscriber growth. We have entered into Global IT Outsourcing contract with IBM covering India, Bangladesh, Sri Lanka and African Regions thereby taking its relationship at Global level. Under this contract, IBM will provide and run all Telecom related IT Systems, Software and Services to support business requirements. It will help Bharti Airtel to derive economics of Scale benefits, scope enhancements and parity, similar customer services and experience across regions.

IBM is also our technology partner for Digital Media Exchange, which would enable Airtel's presence in Digital Cinema, Digital Signage arena with a host of other Media & Entertainment related services.

IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis, Tech Mahindra and HTMT are our call centre partners and provide an excellent customer experience through dedicated contact center operations. Our existing Call center technology partners are Avaya, Wipro and Cisco.

We work with globally renowned organizations such as Comviva, OnMobile, Acision, Yahoo, Google and Cellebrum among others to provide each of our customers with a unique experience in VAS like CRBT (caller ring back tone), SMS, Music on Demand, Email services and other Airtel Live applications. We also have an alliance with RIM for selling Blackberry enterprise services and Blackberry internet services.

SECTION 3

FINANCIAL HIGHLIGHTS

This section presents the (1) audited financial results for the fourth quarter and full year ended March 31, 2010, and (2) audited financial results for the fourth quarter and full year ended March 31, 2011 as per International Financial Reporting Standards (IFRS).

Detailed financial statements, analysis and other related information is attached to this report as Annexure (page 30 – 32). Also, kindly refer to Section 7 - use of Non - GAAP financial information (page 26) and Glossary (page 44) for detailed definitions.

3.1 Consolidated - Summary of Consolidated Financial Statements

3.1.1 Consolidated Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	162,654	107,491	51%	594,672	418,472	42%
EBITDA	54,496	40,829	33%	199,664	167,633	19%
Cash profit from operations before Derivative and Exchange Fluctuation	48,171	39,588	22%	179,527	162,301	11%
Cash profit from operations after Derivative and Exchange Fluctuation	47,670	41,185	16%	177,851	167,455	6%
Profit / (Loss) before Tax	18,302	24,411	-25%	76,782	105,091	-27%
Current tax expense	5,710	4,945	15%	23,961	22,317	7%
Profit / (Loss) after current tax expense	12,592	19,466	-35%	52,821	82,774	-36%
Deferred tax expense / (income)	(714)	(1,530)	-53%	(6,171)	(8,864)	-30%
Net income	14,007	20,443	-31%	60,467	89,768	-33%
Capex	48,004	18,564	159%	142,622	96,431	48%
Operating Free Cash Flow (EBITDA - Capex)	6,492	22,265	-71%	57,042	71,202	-20%
<i>EBITDA / Total revenues</i>	<i>33.5%</i>	<i>38.0%</i>		<i>33.6%</i>	<i>40.1%</i>	

3.1.2 Consolidated Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Mar 31, 2011
Assets	
Non-current assets	1,352,987
Current assets	112,077
Total assets	1,465,064
Non-current liabilities	578,988
Current liabilities	369,845
Total liabilities	948,833
Equity & Minority Interest	
Equity	487,668
Minority Interest	28,563
Total Equity & Minority Interest	516,231
Total Equity and liabilities	1,465,064

3.2 Region wise - Summary of Consolidated Financial Statements

3.2.1 Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended Mar 2011				Quarter Ended Mar 2010				Year Ended Mar 2011				Year Ended Mar 2010			
	India & SA	Africa	Africa Others	Total	India & SA	Africa	Africa Others	Total	India & SA	Africa	Africa Others	Total	India & SA	Africa	Africa Others	Total
Total revenues	121,195	41,815	-	162,654	107,491	-	-	107,491	464,445	130,834	-	594,672	418,472	-	-	418,472
EBITDA	44,343	10,998	(841)	54,496	41,340	(511)	(511)	40,829	171,078	31,379	(2,793)	199,664	168,144	(511)	(511)	167,633
Cash profit from operations before Derivative and Exchange Fluctuation	42,729	8,726	(3,281)	48,171	40,099	(511)	(511)	39,588	165,614	24,543	(10,630)	179,527	162,812	(511)	(511)	162,301
Cash profit from operations after Derivative and Exchange Fluctuation	42,654	8,302	(3,282)	47,670	41,696	(511)	(511)	41,185	165,942	22,539	(10,630)	177,851	167,966	(511)	(511)	167,455
Profit / (Loss) before Tax	21,831	(244)	(3,282)	18,302	24,922	(511)	(511)	24,411	91,080	(3,667)	(10,630)	76,782	105,602	(511)	(511)	105,091
Current tax expense	4,535	1,175	-	5,710	4,945	-	-	4,945	20,411	3,550	-	23,961	22,317	-	-	22,317
Profit / (Loss) after current tax expense	17,296	(1,419)	(3,282)	12,592	19,977	(511)	(511)	19,466	70,669	(7,217)	(10,630)	52,821	83,285	(511)	(511)	82,774
Deferred tax expense / (income)	(1,172)	458	-	(714)	(1,530)	-	-	(1,530)	(6,414)	243	-	(6,171)	(8,864)	-	-	(8,864)
Net income	18,169	(878)	(3,282)	14,007	20,954	(511)	(511)	20,443	75,898	(4,801)	(10,630)	60,467	90,279	(511)	(511)	89,768
EBITDA / Total revenues	36.6%	26.3%		33.5%	38.5%			38.0%	36.8%	24.0%		33.6%	40.2%			40.1%
Capex	30,692	17,312	-	48,004	18,564	-	-	18,564	106,651	35,970	-	142,622	96,431	-	-	96,431
Operating Free Cash Flow (EBITDA - Capex)	13,650	(6,314)	(841)	6,492	22,776	(511)	(511)	22,265	64,426	(4,591)	(2,793)	57,042	71,713	(511)	(511)	71,202

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Mar 31, 2011				
	India & SA	Africa	Africa Others	Eliminations	Total
Assets					
Non-current assets	782,026	576,229	443,560	(448,828)	1,352,987
Current assets	93,120	31,581	273	(12,897)	112,077
Total assets	875,146	607,810	443,833	(461,725)	1,465,064
Liabilities					
Non-current liabilities	153,330	181,994	381,958	(138,294)	578,988
Current liabilities	201,257	128,666	52,822	(12,900)	369,845
Total liabilities	354,587	310,660	434,780	(151,194)	948,833
Equity & Minority Interest					
Equity	494,042	295,104	9,053	(310,531)	487,668
Minority Interest	26,517	2,046	-	-	28,563
Total Equity & Minority Interest	520,559	297,150	9,053	(310,531)	516,231
Total Equity and liabilities	875,146	607,810	443,833	(461,725)	1,465,064

3.3 Segment wise Summarized Statement of Operations

India & South Asia

3.3.1 Mobile Services (India & South Asia) – comprises of Consolidated Statement of Operations of Mobile Services India & South Asia.

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	94,948	83,174	14%	362,689	331,275	9%
EBITDA	31,620	30,237	5%	125,983	128,053	-2%
EBIT	20,557	21,482	-4%	85,417	94,353	-9%
EBITDA / Total revenues	33.3%	36.4%		34.7%	38.7%	
Operating Free Cash Flow (EBITDA - Capex)	12,399	23,084	-46%	67,224	87,986	-24%

3.3.2 Telemedia Services – comprises of Operations of Telemedia Services.

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	9,178	8,511	8%	36,324	34,154	6%
EBITDA	4,147	3,684	13%	16,330	14,729	11%
EBIT	2,149	1,812	19%	8,334	7,568	10%
EBITDA / Total revenues	45.2%	43.3%		45.0%	43.1%	
Operating Free Cash Flow (EBITDA - Capex)	1,825	1,703	7%	8,292	5,479	51%

3.3.3 Enterprise Services – comprises of Operations of Enterprise Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	10,179	10,768	-5%	41,292	44,798	-8%
EBITDA	2,619	3,221	-19%	9,947	12,578	-21%
EBIT	1,431	2,325	-38%	5,536	9,328	-41%
EBITDA / Total revenues	25.7%	29.9%		24.1%	28.1%	
Operating Free Cash Flow (EBITDA - Capex)	1,557	3,077	-49%	5,823	9,489	-39%

3.3.4 Passive Infrastructure Services – represents Bharti Infratel Ltd and proportionate consolidation of 42% Indus Towers.

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	22,010	19,459	13%	85,555	70,852	21%
EBITDA	8,153	7,224	13%	31,737	24,523	29%
EBIT	2,672	2,448	9%	11,688	7,362	59%
EBITDA / Total revenues	37.0%	37.1%		37.1%	34.6%	
Operating Free Cash Flow (EBITDA - Capex)	2,437	504	383%	9,141	(3,698)	347%

3.3.5 Others – comprises of Digital TV operations, Corporate Offices and new projects in India & South Asia.

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	3,315	2,094	58%	10,317	5,825	77%
EBITDA	(1,510)	(2,504)	40%	(10,316)	(9,754)	-6%
Depreciation and Others	1,776	952	87%	4,385	2,848	54%
EBIT	(3,286)	(3,456)	5%	(14,701)	(12,602)	-17%
Operating Free Cash Flow (EBITDA - Capex)	(3,881)	(5,070)	23%	(23,451)	(25,558)	8%

Africa

3.3.6 Mobile Services (Africa) – comprises of 16 country operations in Africa.

Amount in US\$ mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues	924			2,878		
EBITDA	243			691		
EBIT	55			114		
EBITDA / Total revenues	26.4%			24.0%		
Operating Free Cash Flow (EBITDA - Capex)	(139)			(100)		

Note 5: Wherever Africa and Africa Others financials are reported in the quarterly report, the same are published in their functional currency i.e. US\$.

3.3.7 Africa Others – comprises of holding investments in Mobile Africa operations.

Amount in US\$ mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-11	Mar-10	Y-on-Y Growth	Mar-11	Mar-10	Y-on-Y Growth
Total revenues						
EBITDA	(19)	(11)		(61)	(11)	
EBIT	(19)	(11)		(61)	(11)	
Operating Free Cash Flow (EBITDA - Capex)	(19)	(11)		(61)	(11)	

3.4 Region wise & Segment wise Investment & Contribution

3.4.1 India and South Asia

Segment	Quarter Ended Mar 2011						Amount in Rs mn, except ratios As at Mar 31, 2011	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Investment in Projects	% of Total
Mobile Services ⁶	94,948	78%	31,620	71%	19,221	63%	606,338	59%
Telemedia Services	9,178	8%	4,147	9%	2,322	8%	119,691	12%
Enterprise Services	10,179	8%	2,619	6%	1,062	3%	41,751	4%
Passive Infrastructure Services	22,010	18%	8,153	18%	5,716	19%	222,371	22%
Others	3,315	3%	(1,510)	-3%	2,371	8%	33,920	3%
Sub Total	139,630	115%	45,029	102%	30,692	100%	1,024,071	100%
Eliminations	(18,435)	-15%	(686)	-2%	0	0%		
Accumulated Depreciation and Amortization							(288,093)	
Total	121,195	100%	44,343	100%	30,692	100%	735,978	

Note 6: Investment in projects includes National optic fibre network.

Segment	Year Ended Mar 2011						Amount in Rs mn, except ratios As at Mar 31, 2011	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Investment in	% of Total
Mobile Services ⁷	362,689	78%	125,983	74%	58,759	55%	606,338	59%
Telemedia Services	36,324	8%	16,330	10%	8,038	8%	119,691	12%
Enterprise Services	41,292	9%	9,947	6%	4,124	4%	41,751	4%
Passive Infrastructure Services	85,555	18%	31,737	19%	22,596	21%	222,371	22%
Others	10,317	2%	(10,317)	-6%	13,135	12%	33,920	3%
Sub Total	536,177	115%	173,680	102%	106,651	100%	1,024,071	100%
Eliminations	(71,732)	-15%	(2,602)	-2%	0	0%		
Accumulated Depreciation and Amortization							(288,093)	
Total	464,445	100%	171,078	100%	106,651	100%	735,978	

Note 7: Investment in projects includes National optic fibre network.

3.4.2 Africa & Africa others

Segment	Quarter Ended Mar 2011			Year Ended Mar 2011			Amount in US\$ mn, except ratios As at Mar 31, 2011
	Revenue	EBITDA	Capex	Revenue	EBITDA	Capex	Investment in Projects
Africa	924	243	382	2,878	691	791	12,959
Africa Others		(19)			(61)		
Sub Total	924	224	382	2,878	630	791	12,959
Accumulated Depreciation and Amortization							(579)
Total	924	224	382	2,878	630	791	12,380

SECTION 4

OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, ARPM, Non Voice revenue, Gross revenue per employee per month are based on IFRS.

4.1 Customers and Non Voice % - Consolidated

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Mobile Services	000's	211,919	199,610	6%	131,349	61%
India & South Asia	000's	167,713	157,485	6%	131,349	28%
Africa	000's	44,206	42,124	5%	-	-
Telemedia Services	000's	3,296	3,257	1%	3,067	7%
Digital TV Services	000's	5,663	4,932	15%	2,597	118%
Total	000's	220,877	207,799	6%	137,013	61%
Non Voice Revenue as a % of Total Revenues	%	15.3%	14.7%		15.9%	

4.2 Traffic Details – Consolidated

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Mobile Services	Mn Min	233,106	219,922	6%	174,746	33%
India & South Asia	Mn Min	218,190	205,018	6%	174,746	25%
Africa	Mn Min	14,915	14,904	0%	-	-
Telemedia Services	Mn Min	4,535	4,598	-1%	4,515	0%
National Long Distance Services	Mn Min	19,542	18,063	8%	15,875	23%
International Long Distance Services	Mn Min	3,047	3,192	-5%	3,173	-4%
Total Minutes on Network (Gross)	Mn Min	260,230	245,776	6%	198,309	31%
Eliminations	Mn Min	(19,985)	(18,514)	8%	(16,308)	23%
Total Minutes on Network (Net)	Mn Min	240,245	227,262	6%	182,001	32%

4.3 Mobile Services India

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Customer Base⁸						
All India Wireless Customers	000's	811,589	752,191	8%	584,323	39%
Wireless Customers on Airtel's Networks	000's	162,203	152,495	6%	127,619	27%
Net Additions						
All India Wireless Customers	000's	59,398	64,480	-8%	59,175	0%
Wireless Customers on Airtel's Networks	000's	9,708	9,203	5%	8,755	11%
Market Share						
Airtel's Wireless Market Share	%	20.0%	20.3%		21.8%	
Airtel's Market Share of Net Additions	%	16.3%	14.3%		14.8%	
Pre-Paid Subscribers						
As a % of total Customer Base	%	96.3%	96.2%		95.8%	
Other Operating Information						
Average Revenue Per User (ARPU)	Rs	194	198	-2%	220	-12%
Average Revenue Per User (ARPU)	US\$	4.3	4.4	-2%	4.9	-11%
Average Rate Per Minute (ARPM)	Paisa	43.1	44.2	-2%	47.0	-8%
Average Minutes of Use Per User	Min	449	449	0%	468	-4%
Monthly Churn	%	7.6%	7.8%		5.7%	
Non Voice Revenue						
Non Voice Revenue as a % of mobile revenues	%	15.0%	13.8%		11.8%	

Note 8: All India mobile subscribers based on report published by TRAI

4.4 Telemedia Services

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Telemedia Customers	000's	3,296	3,257	1%	3,067	7%
Net additions	000's	39	41	-6%	78	-51%
Average Revenue Per User (ARPU)	Rs	934	934	0%	937	0%
Average Revenue Per User (ARPU)	US\$	20.9	20.8	0%	20.8	1%

4.5 Network and Coverage - India

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	5,113	5,104	9	5,091	22
Non-Census Towns and Villages	Nos	452,215	450,293	1,922	438,933	13,282
Population Coverage	%	86.1%	85.8%		84.2%	
Optic Fibre Network	R Kms	144,557	139,541	5,016	126,357	18,200
Network Sites	Nos	116,261	113,587	2674	104,826	11,435
Telemedia Services						
Cities covered	Nos	87	87	0	89	(2)
Submarine Cables Systems						
	Nos	7	6	1	3	4

4.6 Passive Infrastructure Services

4.6.1 Bharti Infratel Consolidated

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Total Towers ⁹	Nos	78,398	77,695	703	73,802	4,596
Total Tenancies ⁹	Nos	142,039	137,209	4,830	124,668	17,371
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	32,828	33,524	-2%	32,654	1%
Sharing Factor	Times	1.79	1.75		1.66	

Note 9: Total Towers and Tenancies includes proportionate consolidation of 42% of Indus Towers.

4.6.2 Bharti Infratel Standalone

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Total Towers ¹⁰	Nos	32,792	32,424	368	30,568	2,224
Total Tenancies	Nos	57,645	55,253	2,392	50,031	7,614
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	36,599	37,859	-3%	36,878	-1%
Sharing Factor	Times	1.73	1.68		1.62	

Note 10: Total Towers are excluding 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009.

4.6.3 Indus Towers

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Total Towers	Nos	108,586	107,789	797	102,938	5,648
Total Tenancies	Nos	200,938	195,133	5,805	177,706	23,232
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	30,501	30,847	-1%	29,674	3%
Sharing Factor	Times	1.83	1.80		1.71	

Note 11: Indus KPIs are on 100% basis.

4.7 Human Resource Analysis – India

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Consolidated						
Total Employees ¹²	Nos	16,830	17,152	(322)	17,726	(896)
Number of Customers per employee	Nos	10,170	9,368	9%	7,519	35%
Personnel cost per employee per month	Rs	102,657	100,103	3%	90,067	14%
Gross Revenue per employee per month	Rs	2,359,969	2,243,594	5%	2,008,738	17%

Note 12: Total Employees include proportionate consolidation of 42% Indus Towers employees.

4.8 Mobile Services - Africa

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Customer Base						
Total Wireless Customers	000's	NA	NA			
Wireless Customers on Airtel's Networks	000's	44,206	42,124	5%		
Net Additions						
Total Wireless Customers	000's	NA	NA			
Wireless Customers on Airtel's Networks	000's	2,082	2,043	2%		
Market Share						
Airtel's Wireless Market Share	%	NA	NA			
Airtel's Market Share of Net Additions	%	NA	NA			
Pre-Paid Subscribers						
As a % of total Customer Base	%	99.3%	99.3%			
Other Operating Information						
Average Revenue Per User (ARPU)	US\$	7.2	7.3	-3%		
Average Rate Per Minute (ARPM)	US¢	6.2	6.1	1%		
Average Minutes of Use Per User	Min	115	120	-4%		
Monthly Churn	%	6.2%	5.9%			
Non Voice Revenue						
Non Voice Revenue as a % of mobile revenues	%	7.8%	7.9%			

4.9 Traffic Details - Africa

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Mobile Services	Mn Min	14,915	14,904	0%		
International Long Distance Services	Mn Min	-	-			
Total Minutes on Network (Gross)	Mn Min	14,915	14,904	0%		
Eliminations	Mn Min	-	-			
Total Minutes on Network (Net)	Mn Min	14,915	14,904	0%		

4.10 Network & Coverage - Africa

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Mobile Services						
Towns & Villages	Nos	NA	NA			
Population Coverage	%	NA	NA			
Network Sites	Nos	11,912	11,338	574		

4.11 Human Resource Analysis - Africa

Parameters	Unit	Mar 31, 2011	Dec 31, 2010	Q-on-Q Growth	Mar 31, 2010	Y-on-Y Growth
Total Employees	Nos	5,687	6,434	(747)		
Number of Customers per employee	Nos	7,773	6,547	1,226		
Personnel cost per employee per month	US\$	5,338	4,625	15%		
Gross Revenue per employee per month	US\$	54,155	47,195	15%		

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India and South Asia

A. Key Industry Developments

1. Mobile Number Portability (MNP):

- Pan India MNP service launched on Jan 20, 2011. There are certain operational and technical issues w.r.t. implementation of MNP such as need for introduction of another rejection reason "Port out Cancelled by Customer" basis SMS based cancellation, definition of time for UPC generation, 3 hrs porting window, requirement of network maintenance window, which Industry through its associations are taking up with TRAI in order to make necessary amendments in the existing MNP Regulation.
- As per TRAI release 38 lakh customers have applied for porting by end of Feb 2011 across all telecom service areas.

2. DoT Mandate for measurement of EMF from Base station Antenna.

- Airtel has submitted the compliance certificate along with the other documents as required by DoT for self certification of Mobile Base Stations. TERM Cell has also done a measurement check at various locations in the Country wherein the BTS emission level was found under the ICNIRP limit.

3. Subscriber Re-verification

- Revised Subscriber Verification Guidelines are awaited from DoT which is expected to supersede all previous guidelines. In this regard, ACT has submitted its comments of final draft guidelines basis discussion with all Operators.
- DoT has extended permission for continuance of prepaid mobile service in J&K, Assam and NE Circles till March 31, 2011.

4. TRAI revised Regulation on UCC

- TRAI had issued "The Telecom Commercial Communications Customer Preference Regulations, 2010" on December 1, 2010. As per the provisions of regulations, the telemarketer's registration has started from January 15, 2011 and Customer preference registrations have started from February 10, 2011. Other operational provisions were required to be implemented from March 1, 2011. The said Regulation also provides allocation of separate number series for telemarketers.
- Further, DoT has communicated a fresh numbering series beginning with the number "140" on January 31, 2011. This new number series allocated by DoT are only for mobile services of the licenses and levels for fixed network was to be allocated by DoT after resolving the issue of CLI for telemarketing operations using fixed line network.
- However, the number series for fixed network are still not allocated by DoT. Operators have indicated that it will not be possible to provide all the resources for telemarketing from mobile networks and they would require sufficient

time to operationalise the fixed line numbering series once allotted.

- Thus, due to non availability of numbering resources from fixed line network from DoT, the date of implementation of relevant clauses of "The Telecom Commercial Communications Customer Preference Regulations, 2010" has been amended by the Authority and exact date of implementation of various clauses would be notified once number resources for telemarketing from fixed line network are allocated by DoT.

- TRAI vides the said Regulation has also put a ceiling of 100 SMS per day per SIM. In this regard, a representation has been sent to the Authority to review Regulation and allow the operators to charge high Tariff for all the SMSs beyond the ceiling of 100, so as to disincentives any misuse.

5. TRAI Recommendations on Spectrum Management and licensing Framework

- TRAI in its Recommendations on Spectrum Management and licensing Framework dated May 2010 had recommended that, the 3G price be adopted as the 'Current Price' of spectrum, the Authority had also stated that it was separately initiating an exercise to further study the subject and would apprise the Government of its findings.
- Further, TRAI had entrusted some experts to study the issues involved and provide the value of 1800 MHz Spectrum. These experts submitted their report "The 2010 value of spectrum in 1800 MHz band" on January 30, 2011 with the estimated price of the Pan India spectrum (per MHz) up to 6.2 MHz to be Rs 1,769 Cr and the price of the Pan India spectrum (per MHz) beyond 6.2 MHz to be Rs 4,571 Cr.
- Based on the above report, TRAI recommended that the price of the spectrum arrived by the experts be adopted as the best available figures. The Authority also recommended that these prices may be applicable w.e.f. April 2010 prorated for the remaining validity of the respective licences while charging for excess spectrum.
- However, Bharti has made a representation to DoT for not considering these recommendations.

6. TRAI Consultation Papers

- TRAI has issued the following Consultation Papers:
 - Green Telecom
 - Issues Related to Telecommunications Infrastructure Policy.
 - "Issues arising out of Provisioning and Pricing of Services by Mobile Service Providers – in the context of Delivery of Basic Financial Services using Mobile Phones"

B. Key Company Developments

- The Board of Directors has recommended a dividend of Re 1 per equity share of Rs 5 each (20 % of face value) for financial year 2010-2011. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the company.
- Bharti Airtel won a total of 6 categories in Tele.Net's annual Telecom Operator Awards 2011. These categories included Best VAS Offering, Best Operator Performance, Most Admired Operator, Best Enterprise Services Provider, Operator with Best Rural Performance and Best National Mobile Operator
- Bharti Airtel successfully launched its 3G services in India spanning across over 21 cities including Bengaluru, Delhi, Mumbai, Chennai, Hyderabad, Patna and Jaipur.
- Bharti Airtel's partner Ericsson announced that it had deployed world class 3G network infrastructure to support the rollout of Airtel 3G services in Delhi & NCR
- Bharti Airtel announced a joint venture with State Bank of India aimed at providing mCommerce services for the unbanked segment in the country
- With the objective of facilitating cashless transactions and introducing an easy way for customers to make payments from their mobile devices, Bharti Airtel launched Airtel Money in Gurgaon
- Airtel digital TV crossed the milestone of 5 million customers on its platform. The achievement in just 21 months of full scale national operations, is the fastest anywhere in the world.
- Bharti airtel launched 'airtel broadband TV'. Adding another dimension to its strategy of multi-screen convergence, airtel broadband TV is a unique service which enables the customers to watch live TV on their computers or laptops. Customers can now watch TV without having to buy an extra TV set or cable connection/set top box or an air antenna by simply subscribing to airtel broadband TV with attractive monthly subscription packs starting at INR 49.
- Bharti Airtel announced the launch of EIG submarine cable system. EIG is the third state-of-the-art cable in Bharti Airtel's portfolio that stretches from India to Western Europe via Middle East. Bharti Airtel will also provide services related to Network Administration and Network Operations Control functions for EIG. The cable is represented by a consortium of 17 telecom operators along with Bharti Airtel.
- Bharti Airtel entered into a strategic partnership with Savvis to further augment and strengthen its managed services portfolio. The collaboration aims to offer innovative managed services to enterprises operating in or expanding into India. Under this exclusive agreement, Savvis will use Airtel's world class data centers, unsurpassed bandwidth capacity and network support to expand its services platform in India.

5.2 Africa

Key Industry Developments

Congo B

- **3G License**
3G license was awarded to the Company on 25th February 2011.

Congo DRC

- **3G License**
The Regulator has launched a consultation process in order to solicit the operator's views on the forthcoming 3G license process
- **Numbering fees**
The Government has reduced the numbering tax from \$0.75 to \$0.45 from February 2011.

Ghana

- **MNP Activity**
The Regulator mandated MNP 'Go Live' date for 1st July 2011 and the implementation plan is on schedule
- **Interconnect Rate**
We are in discussion with the Government for driving the interconnect rates lower based on Long Run Incremental Cost (LRIC) study

Kenya

- **MNP**
Mobile Number Portability was launched on 1st April 2011.

Madagascar

- **3G licence**
Discussions have commenced for the acquisition of a 3G license

Nigeria

- **Mobile Number Portability (MNP) Activity**
Discussions are currently ongoing with the Government and Regulator to support implementation of Mobile Number Portability (MNP) during the ongoing registration program for all new customers
- **Subscribers Identification (KYC)**
The registration of existing customers is to be undertaken by the Nigerian Communications Commission (NCC) and is expected to commence in Q1 2012

Uganda

- **Interconnect Rate**
We are in discussion with the Government for driving the interconnect rates lower based on Long Run Incremental Cost (LRIC) study

Zambia

- **Subsidy for rural coverage**

The Government has waived up to 30% import duty on all passive and active equipment for all new sites across the country. Operators are required to submit the name of the areas for which they are applying for the waiver. Airtel Zambia is preparing to file an application in this regard.

Sierra Leone

- **KYC (subscriber identification program)**

The identifying and registration of all mobile phone customers is a growing requirement across the region. By

the year-end we anticipate KYC being mandatory in all the markets.

Adequate infrastructure does not exist to register customers at SIM selling points. The company is gearing up to meet this requirement. It is implementing "Over the Air" tools and methodology to enable customers to successfully register via GSM network and also at the time of purchasing SIM.

KYC implementation is ongoing in Tanzania, Chad, Burkina Faso, Niger, DRC, Congo B, Gabon, Ghana, Kenya, Madagascar, Nigeria, Uganda & Sierra Leone.

5.3 Results of Operations

The company has reported its (1) audited financial results for the quarter ended March 31, 2010 and full year ended March 31, 2010; (2) audited financial results for the quarter ended March 31, 2011 and full year ended March 31, 2011. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Highlights - For the full year ended March 31, 2011

- Overall customer base at 220.9 million.
- Net addition of 83.9 million of total customers in a year.
- Market leader with a market share of all India wireless subscribers at 20.0% (21.8% last year).
- Total revenues of Rs. 594.7 billion (up 42% Y-o-Y).
- EBITDA at Rs 199.7 billion (up 19% Y-o-Y).
- Cash profit from operations of Rs 177.9 billion (up 6% Y-o-Y).
- Net Profit of Rs. 60.5 billion (down 33% Y-o-Y).
- Free cash flow of Rs 57.0 billion (down 20% Y-o-Y).

Key Highlights - For the quarter ended March 31, 2011

- Net addition of 13.1 million customers.
- Total Revenues of Rs 162.7 billion (up 51% Y-o-Y).
- EBITDA Rs 54.5 billion (up 33% Y-o-Y).
- Cash profit from operations of Rs 47.7 billion (up 16% Y-o-Y).
- Net Income of Rs 14.0 billion (down 31% Y-o-Y).

Bharti Airtel Consolidated

Full year ended March 31, 2011

The consolidated revenues and EBITDA for the year ended March 31, 2011 was Rs 594,672 million and Rs 199,664 million respectively. The consolidated revenues and EBITDA grew by 42% and 19% respectively for the year ended March 31, 2011. The EBITDA margin for the year was 33.6%.

The cash profit from operations for the year ended March 31, 2011 was Rs 177,851 million as compared to Rs 167,455 million for the year ended March 31, 2010, a growth of 6% year on year. The net finance cost for the year was Rs 21,812 million.

The earning before tax for the year ended on March 31, 2011 was Rs 76,782 million and the net profit was at Rs 60,467 million leading to an earnings per share of Rs 15.93. The current tax expense for the year was Rs 23,961 million and the deferred tax expense/(income) was Rs (6,171) million.

The capital expenditure for the full year was Rs 142,622 million (US\$ 3,194 Million).

Quarter ended March 31, 2011

Customer Base

As on March 31, 2011, the company had an aggregate of 220.9 million customers consisting of 211.9 million Mobile, 3.3 million Telemedia and 5.7 million Digital TV customers. Its total customer base as on March 31, 2011 increased by 61.3% compared to the customer base as on March 31, 2010.

Revenues/Turnover

During the quarter ended March 31, 2011, the company recorded revenues of Rs 162,654 million, a growth of 51.3% compared to the quarter ended March 31, 2010. Non-voice revenue contributed to approximately 15.3% of the total revenues for the quarter.

Operating Expenses (ex-revenue share license and spectrum fee) During the quarter ended March 31, 2011; the company incurred an operating expenditure of Rs 72,892 million representing 45% of the total revenues. The operating expense comprises:

- Rs 34,644 million towards network operations costs (21.3% of total revenues)
- Rs 1,047 million towards cost of goods sold (0.6% of total revenues)
- Rs 9,534 million towards employee costs, (5.9% of total revenues) and
- Rs 27,667 million towards selling general and administrative costs (17% of total revenues).

EBITDA, Finance Cost and Cash Profit from Operations

During the quarter ended March 31, 2011, the company had an EBITDA of Rs 54,496 million; growth of 33% compared to the quarter ended March 31, 2010. The reported EBITDA margin for the quarter was 33.5%.

The net finance cost for the quarter ended March 31, 2011 was Rs 6,824 million. The interest on borrowings during the quarter was Rs 5,425 million, the finance charges during the quarter was Rs 1,163 million, the investment income (primarily related to income on marketable securities) was Rs 265 million and expense of Rs 501 million was effect of exchange fluctuation and derivative accounting.

The cash profit from operations after derivative and exchange fluctuations for the quarter was Rs 47,670 million, an increase of 16% as compared to the quarter ended March 31, 2010. During the quarter ended March 31, 2011, the company had depreciation and amortization expenses of Rs 29,702 million.

Profit / (Loss) Before Tax (PBT)

The Profit / (Loss) before tax for the quarter was Rs 18,302 million, a decrease of 25%, as compared to the quarter ended March 31, 2010. The current tax for the quarter ended March 31, 2011 was Rs 5,710 million and deferred tax expense / (income) was Rs (714) million.

Net income

The net income for the quarter ended March 31, 2011 was Rs 14,007 million with a Y-o-Y decline of 31%.

Statement of Financial Position

As on March 31, 2011, the company had total assets of Rs 1,465,064 million, and total liabilities of Rs 948,833 million respectively. The difference of Rs 516,231 million was on account of Equity attributable to equity holders of parent and non-controlling interest.

The company had a net debt of Rs 599,512 million (US\$ 13,427 million) as on March 31, 2011, resulting in a Net Debt to EBITDA (LTM) of 2.83.

Capital Expenditure

During the quarter ended March 31, 2011, the company incurred capital expenditure of Rs 48,004 million.

Human Resources

As on March 31, 2011, the company had a total of 23,371 employees.

Mobile Services – India & South Asia**Customer Base, Churn, ARPU and MoU - India**

As at the end of the quarter the company had 162.2 million GSM mobile customers on its network, which accounted for a market share of 20.0% of the all India mobile market.

During the quarter, Bharti's share of net additions was 16.3% of all India wireless subscriber net additions.

The average monthly churn for the quarter ended March 31, 2011 was 7.6%.

During the quarter blended ARPU was Rs 194 (US\$ 4.3) per month as compared to Rs 198 (US\$ 4.4) per month in the quarter ended December 31, 2010. The blended monthly usage per customer, during the quarter was at 449 minutes. The Average rate per minute during the quarter was 43.1 paisa. Non voice revenue, which includes Voice Mail Service, Call Management, Airtel Talkies and other value added services like Hello Tunes, Music on Demand and Airtel Live contributed to approximately 15.0% of the total revenues of the segment.

Revenues, EBITDA and EBIT

The revenues for the quarter ended March 31, 2011 for mobile services stood at Rs 94,948 million, a growth of 14.2% over the corresponding quarter last year. The revenue from this segment contributed to 78% of the total revenues of India & South Asia. The EBITDA during the quarter ended March 31, 2011 was Rs 31,620 million representing a growth of 4.6% over the quarter ended March 31, 2010. The EBITDA margin for the quarter ended March 31, 2011 was 33.3%. The EBIT for the quarter ended March 31, 2011 was Rs 20,557 million as compared to Rs 21,482 million for the quarter ended March 31, 2010, a decline of 4.3%.

Capital Expenditure

During the quarter ended March 31, 2011, the company incurred a capital expenditure of Rs 19,221 million on its Mobile Services.

Telemedia Services**Customer Base and ARPU**

At the end of the quarter ended March 31, 2011, the company had its Telemedia operations in 87 cities. During

the quarter, the company added 38,576 customers on its Telemedia networks with 3.3 million customers as on March 31, 2011. The company had approximately 1.42 million customers (43.1%) of the total customer base subscribing to broadband (DSL) services.

The ARPU for the quarter was Rs 934 (US\$ 20.9) per month.

Revenues, EBITDA and EBIT

For the quarter ended March 31, 2011, the revenues from Telemedia operations of Rs 9,178 million, represented a growth of 7.8% over the corresponding quarter last year. The EBITDA for the quarter was Rs 4,147 million compared to Rs 3,684 million in the corresponding prior year quarter, an increase of 12.6%. The EBITDA margin for this segment was 45.2% for the quarter ended March 31, 2011. The EBIT for the quarter ended March 31, 2011 was Rs 2,149 million.

Capital Expenditure

During the quarter ended March 31, 2011, the company incurred a capital expenditure of Rs 2,322 million on its Telemedia Services.

Enterprise Services**Revenues, EBITDA and EBIT**

The revenues for the quarter ended March 31, 2011 for Enterprise services stood at Rs 10,179 million, a decline of 5.5% over the corresponding quarter last year. The revenue from this segment contributed to 8% of the total revenues of India & South Asia. The EBITDA during the quarter ended March 31, 2011 was Rs 2,619 million, a decline of 18.7% over the corresponding quarter last year. The EBITDA margin for the quarter ended March 31, 2011 was 25.7%. The EBIT for the quarter ended March 31, 2011 was Rs 1,431 million as compared to Rs 2,325 million for the quarter ended March 31, 2010, a decline of 38.4%.

Capital Expenditure

During the quarter ended March 31, 2011, the company incurred a capital expenditure of Rs 1,062 million on its Enterprise Services.

Passive Infrastructure Services**Revenues, EBITDA and EBIT**

For the quarter ended March 31, 2011, the revenues from its Passive Infrastructure Services were Rs 22,010 million. The EBITDA for the quarter ended March 31, 2011 was Rs 8,153 million. The EBITDA margin for the quarter ended March 31, 2011 was 37.0%. The EBIT for the quarter ended March 31, 2011 was Rs 2,672 million.

Capital Expenditure

During the quarter ended March 31, 2011, the company incurred a capital expenditure of Rs 5,716 million on its Passive Infrastructure Services.

Towers and Sharing Operators – Infratel

As at the end of the quarter, the company had 32,792 towers. Sharing factor for the quarter ended March 31, 2011 was 1.73 times.

Towers and Sharing Operators – Indus Towers

As at the end of the quarter, the company had 108,586 towers. Sharing factor for the quarter ended March 31, 2011 was 1.83 times.

Mobile Services - Africa

Customer Base, ARPU and MoU

As at the end of the quarter the company had 44.2 million GSM mobile customers on its network. During the quarter, the company added 2.1 million customers. The ARPU for the quarter was US\$ 7.2 per month. The blended monthly usage per customer, during the quarter was at 115 minutes.

Revenues, EBITDA and EBIT

During the quarter, the revenue for Africa's Operation's was US\$ 924 million and EBITDA was US\$ 243 million (EBITDA margin 26.4%). The EBIT for the quarter ended March 31, 2011 was US\$ 55 million.

Capital Expenditure

During the quarter ended March 31, 2011, the company incurred a capital expenditure of US \$ 382 million on its African Operation.

SECTION 6

STOCK MARKET HIGHLIGHTS

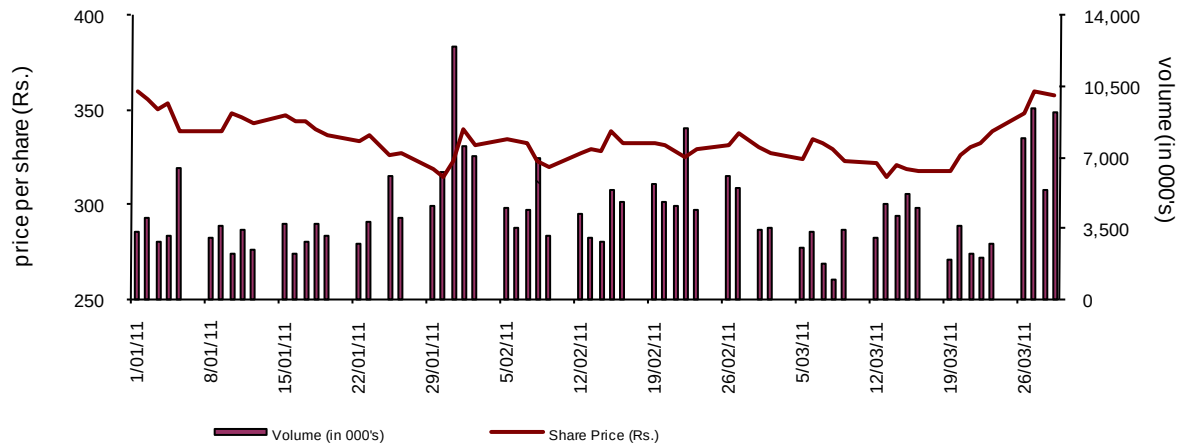
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (31/03/11)	Mn Nos	3,797.53
Closing Market Price - BSE (31/03/11)	Rs /Share	357.50
Combined Volume (NSE & BSE) (01/1/11-31/03/11)	Nos in Mn/day	0.37
Combined Value (NSE & BSE) (01/1/11-31/03/11)	Rs bn /day	0.12
Market Capitalization	Rs bn	1,358
Market Capitalization	US\$ bn	30.41
Book Value Per Equity Share	Rs /share	128.41
Market Price/Book Value	Times	2.78
Net Debt to EBITDA (LTM)	Times	2.83
Enterprise Value	Rs bn	1,957
Enterprise Value	US\$ bn	43.83
Enterprise Value/ Annualised Q4 Revenue	Times	3.01
Enterprise Value/ Annualised Q4 EBITDA	Times	8.98

6.2 Summarized Shareholding pattern as of March 31, 2011

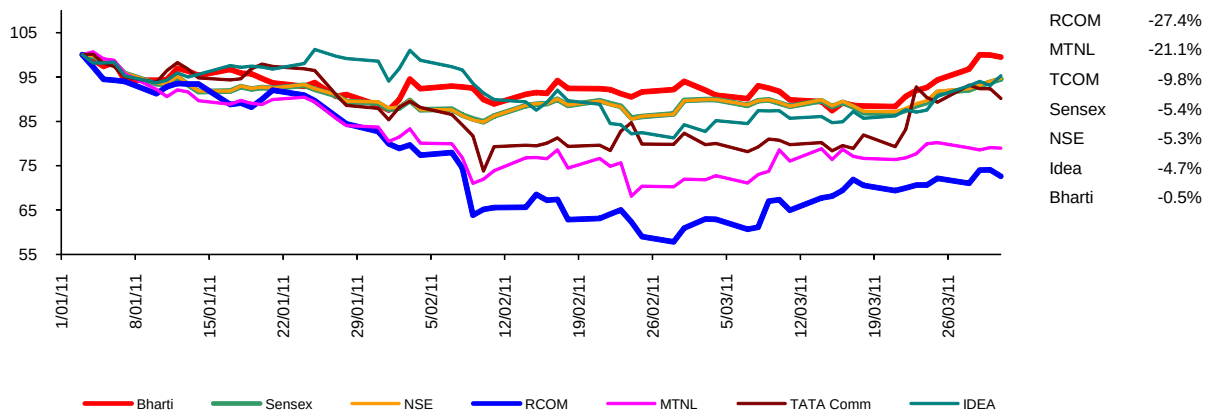
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,727,739,056	45.50%
Foreign	865,673,286	22.80%
Sub total	2,593,412,342	68.29%
Public Shareholding		
Institutions	984,793,928	25.93%
Non-institutions	219,323,826	5.78%
Sub total	1,204,117,754	31.71%
Total	3,797,530,096	100.00%

6.3 Bharti Airtel Daily Stock price (BSE) and Volume (Combined of BSE & NSE) Movement



Source: Bloomberg

6.4 Comparison of Domestic Telecom stock movement with Sensex and Nifty



Source: Bloomberg

SECTION 7

Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit / (Loss) from Operating Activities	Page 27
Earnings before Interest and Taxation (EBIT)	Profit / (Loss) from Operating Activities	Page 27
Cash Profit from Operations after Derivative and Exchange Fluctuations	Profit / (Loss) from Operating Activities	Page 27
Profit / (Loss) after current tax expenses	Profit / (Loss) before taxation	Page 27
Minority Interest	Non - Controlling Interest	NA
Capex	NA	NA
Operating Free Cash flow	NA	NA

7.1 Reconciliation of Non-GAAP financial information based on IFRS

Consolidated

Amount in Rs mn		
Particulars	Quarter Ended Mar 2011	Year Ended Mar 2011
Profit / (Loss) from Operating Activities To EBITDA		
Profit / (Loss) from Operating Activities	24,794	97,598
Add: Depreciation and Amortization	29,702	102,066
EBITDA	54,496	199,664
Profit / (Loss) from Operating Activities to Cash Profit from Operations after Derivative & Exchange Fluctuation		
Profit / (Loss) from Operating Activities	24,794	97,598
Add: Depreciation and Amortization	29,702	102,066
Add: Finance income	173	3,536
Less: Finance expense	6,999	25,349
Cash Profit from Operations	47,670	177,851
Profit / (Loss) from Operating Activities to EBIT		
Profit / (Loss) from Operating Activities	24,794	97,598
Less: Non operating expenses	54	292
Add: Other income	388	1,346
EBIT	25,128	98,652
Profit / (Loss) before tax to Profit / (Loss) after Current tax expense		
Profit / (Loss) before tax	18,302	76,782
Less: Current tax expense	5,710	23,961
Profit / (Loss) after current tax expense	12,592	52,821

7.2 Schedules to Financial Statements

7.2.1 India & South Asia

7.2.1.1 Schedule of Operating Expenses

<i>Amount in Rs mn</i>		
Particulars	Quarter Ended Mar 31, 2011	Year Ended Mar 31, 2011
Access charges	13,127	51,186
Licence fees, revenue share & spectrum charges	12,344	47,515
Network operations costs	28,498	106,236
Cost of goods sold	287	980
Employee costs	4,916	19,629
Selling, general and administration expense	17,680	67,821
Operating Expenses	76,852	293,367

7.2.1.2 Schedule of Depreciation & Amortisation

<i>Amount in Rs mn</i>		
Particulars	Quarter Ended Mar 31, 2011	Year Ended Mar 31, 2011
Fixed Assets	19,728	72,104
Licence Fees	756	1,375
Intangibles	669	2,459
Depreciation and Amortization	21,153	75,938

7.2.1.3 Schedule of Net Debt

<i>Amount in Rs mn</i>	
Particulars	As at Mar 31, 2011
Long term debt, net of current portion	115,157
Short-term borrowings and current portion of long-term debt	43,163
Less:	
Cash and Cash Equivalents	4,408
Restricted Cash	104
Restricted Cash, non-current	413
Short term investments	6,224
Net Debt	147,171

7.2.1.4 Schedule of Finance Cost

<i>Amount in Rs mn</i>		
Particulars	Quarter Ended Mar 31, 2011	Year Ended Mar 31, 2011
Interest on borrowings	1,620	5,903
Finance Charges	268	1,169
Investment Income	(279)	(1,610)
Derivatives and exchange fluctuation	76	(328)
Finance cost (net)	1,685	5,134

Note 13: Inter segment borrowing cost / income eliminated within respective segments

7.2.1.5 Schedule of Income Tax

<i>Amount in Rs mn</i>		
Particulars	Quarter Ended Mar 31, 2011	Year Ended Mar 31, 2011
Current tax expense	4,535	20,411
Deferred tax expense / (income)	(1,172)	(6,414)
Income tax expense	3,363	13,997

7.2.2 Africa & Africa Others

7.2.2.1 Schedule of Operating Expenses

Amount in US\$ mn

Particulars	Quarter Ended Mar 31, 2011		Year Ended Mar 31, 2011	
	Africa	Africa Others	Africa	Africa Others
Access charges	187		525	
Licence fees, revenue share & spectrum	34		112	
Network operations costs	136		460	
Cost of goods sold	17		57	
Employee costs	96	9	286	20
Selling, general and administration	211	9	746	41
Operating Expenses	680	18	2,187	61

7.2.2.2 Schedule of Depreciation & Amortisation

Amount in US\$ mn

Particulars	Quarter Ended Mar 31, 2011		Year Ended Mar 31, 2011	
	Africa	Africa Others	Africa	Africa Others
Fixed Assets	114		327	
Licence Fees	12		38	
Intangibles	63		209	
Depreciation and Amortization	189	0	575	0

7.2.2.3 Schedule of Net Debt

Amount in US\$ mn

Particulars	As at Mar 31, 2011	
	Africa	Africa Others
Long term debt, net of current portion	789	8,554
Short-term borrowings and current portion of long-term debt	923	292
Less:		
Cash and Cash Equivalents	111	4
Restricted Cash	14	
Restricted Cash, non-current	5	
Net Debt	1,581	8,843

7.2.2.4 Schedule of Finance Cost

Amount in US\$ mn

Particulars	Quarter Ended Mar 31, 2011		Year Ended Mar 31, 2011	
	Africa	Africa Others	Africa	Africa Others
Interest on borrowings	43	42	128	140
Finance Charges	9	12	25	33
Investment Income	(1)		(3)	
Derivatives and exchange fluctuation	9		44	
Finance cost (net)	60	54	194	173

Note 14: Inter segment borrowing cost / income eliminated within respective segments

7.2.2.5 Schedule of Income Tax

Amount in US\$ mn

Particulars	Quarter Ended Mar 31, 2011		Year Ended Mar 31, 2011	
	Africa	Africa Others	Africa	Africa Others
Current tax expense	26		78	
Deferred tax expense / (income)	10		6	
Income tax expense	36	0	84	0

ANNEXURE – DETAILED FINANCIAL AND RELATED INFORMATION

A.1 Financial Statements as per International Financial Reporting Standards (IFRS)

A.1.1 Consolidated Statement of Operations (as per IFRS)

Particulars	Quarter Ended			Year Ended		
	Mar 2011	Mar 2010	Y-on-Y Growth	Mar 2011	Mar 2010	Y-on-Y Growth
Revenue	162,654	107,491	51%	594,672	418,472	42%
Operating expenses	(108,158)	(66,662)	62%	(395,008)	(250,839)	57%
Depreciation & amortisation	(29,702)	(16,953)	75%	(102,066)	(62,832)	62%
Profit / (Loss) from operating activities	24,794	23,876	4%	97,598	104,801	-7%
Share of results of associates	0	(32)		(57)	(48)	
Other income	388	214	81%	1,346	697	93%
Non operating expense	(54)	(2)	2600%	(292)	(181)	61%
Profit / (Loss) before interest and tax	25,128	24,056	4%	98,595	105,269	-6%
Finance income	173	4,992	-97%	3,536	17,381	-80%
Finance costs	(6,999)	(4,637)	51%	(25,349)	(17,559)	44%
Profit / (Loss) before tax	18,302	24,411	-25%	76,782	105,091	-27%
Income tax income/(expense)	(4,996)	(3,415)	46%	(17,790)	(13,453)	32%
Net income / (loss) for the period	13,306	20,996	-37%	58,992	91,638	-36%
Other comprehensive income / (loss)						
Exchange differences on translation of foreign operations	6,470	(596)		12,681	(1,028)	
Other comprehensive income / (loss) for the period, net of tax	6,470	(596)		12,681	(1,028)	
Total comprehensive income / (loss) for the period, net of tax	19,776	20,400	-3%	71,673	90,610	-21%
Income Attributable to :						
Equity holders of the parent	14,007	20,444	-31%	60,467	89,768	-33%
Non controlling interests	(701)	553	-227%	(1,475)	1,870	-179%
Net Income / (Loss)	13,306	20,997	-37%	58,992	91,638	-36%
Total comprehensive income / (loss) attributable to :						
Equity holders of the parent	20,610	19,904	4%	73,661	88,796	-17%
Non controlling interests	(834)	497		(1,988)	1,814	
Comprehensive Income / (Loss)	19,776	20,401	-3%	71,673	90,610	-21%
Earning Per Share						
Basic, profit attributable to equity holders of parent (In Rs)	3.69	5.39		15.93	23.67	
Diluted, profit attributable to equity holders of parent (In Rs)	3.69	5.39		15.93	23.66	

A.1.2 Consolidated Statement of Financial Position (as per IFRS)

Amount in Rs mn	
Particulars	As at March 31, 2011
Assets	
Non-current assets	
Property, plant and equipment	651,426
Intangible assets	637,317
Investment in associates	-
Derivative financial assets	1,998
Other financial assets	7,930
Other non - financial assets	9,255
Deferred tax asset	45,061
	1,352,987
Current assets	
Inventories	2,139
Trade and other receivable	54,929
Derivative financial assets	2,682
Prepayments and other assets	30,504
Income tax recoverable	5,280
Short term investments	6,224
Other financial assets	744
Cash and cash equivalents	9,575
	112,077
Total assets	1,465,064
Equity and liabilities	
Equity	
Issued capital	18,988
Treasury shares	(268)
Advances against equity	-
Share premium	56,499
Retained earnings / (deficit)	357,446
Foreign currency translation reserve	14,018
Other components of equity	40,985
Equity attributable to equity holders of parent	487,668
Non-controlling interest	28,563
Total equity	516,231
Non-current liabilities	
Borrowing	532,338
Deferred revenue	8,700
Provisions	6,085
Derivative financial liabilities	151
Deferred tax liability	12,487
Other financial liabilities	13,856
Other non - financial liabilities	5,371
	578,988
Current liabilities	
Borrowing	84,370
Deferred revenue	30,599
Provisions	1,180
Other non - financial liabilities	10,053
Derivative financial liabilities	317
Income tax liabilities	3,642
Trade & other payables	239,684
	369,845
Total liabilities	948,833
Total equity and liabilities	1,465,064

A.1.3 Consolidated Statement of Cash Flows (as per IFRS)

Particulars	Amount in Rs mn	
	Quarter Ended March 31, 2011	Year Ended March 31, 2011
Cash flows from operating activities		
Profit before taxation	18,302	76,782
Adjustments for -		
Depreciation and amortization	29,702	102,066
Finance income	(173)	(3,536)
Finance cost	6,999	25,349
Share of results of associated companies (post tax)	1	57
Amortization of Deferred Stock based compensation	316	1,561
Other non-cash items	144	480
Operating cash flow before working capital changes	55,290	202,759
Trade receivables and prepayments	2,840	(9,207)
Inventories	(134)	(211)
Trade and other payables	(234)	15,613
Change in provision	(58)	(160)
Other Liabilities	481	4,282
Other Assets	1,972	(2,114)
Cash generated from operations	60,157	210,962
Interest Received	71	565
Income Tax (Paid)/Refund	(6,073)	(24,388)
Net cash inflow / (outflow) from operating activities	54,155	187,139
Cash flows from investing activities		
Proceeds/(Purchase) of property, plant and equipment	(35,826)	(108,940)
Purchase of intangible assets	(8,086)	(167,925)
Short term investments (Net)	(102)	46,590
Acquisitions	(225)	(372,676)
Net cash inflow / (outflow) from investing activities	(44,239)	(602,951)
Cash flows from financing activities		
Proceeds from issuance of term borrowings	8,453	578,290
Repayment of borrowings	(18,264)	(148,704)
Purchase of Treasury stock	(197)	(402)
Interest paid	(6,685)	(21,595)
Proceeds from exercise of stock options	12	96
Dividend paid	0	(4,428)
Acquisition of non-controlling interest	(501)	(6,274)
Net cash inflow / (outflow) from financing activities	(17,182)	396,983
Net (decrease) / increase in cash and cash equivalents during the period	(7,266)	(18,829)
Effect of exchange rate changes on cash and cash equivalents	(109)	(123)
Add : Balance as at the Beginning of the period	13,384	24,961
Balance as at the end of the period	6,009	6,009

Note 15: Cash and Cash Equivalents is excluding bank overdraft

A.2 Trend and Ratio Analysis

The financial figures used in the quarterly trends are based on IFRS financial statements

A.2.1 Based on Statement of Operations

Consolidated

Amount in Rs mn

Parameters	For the Quarter Ended				
	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
Total Revenues	162,654	157,560	152,150	122,308	107,491
Access and interconnection charges	21,379	20,273	18,839	14,227	11,570
Operating Expenses (Excl Access Charges & License Fee)	72,892	73,911	69,046	51,841	44,498
Licence Fee	13,887	13,561	13,052	12,100	10,594
EBITDA	54,496	49,816	51,212	44,140	40,829
Cash profit from operations after Derivative and Exchange Fluctuations	47,670	42,346	47,893	39,942	41,185
Profit / (Loss) before tax	18,302	15,495	22,267	20,719	24,411
Net income	14,007	13,033	16,612	16,816	20,443

	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
As a % of Total Revenues					
Access and interconnection charges	13.1%	12.9%	12.4%	11.6%	10.8%
Operating Expenses (Excl Access Charges & License Fee)	44.8%	46.9%	45.4%	42.4%	41.4%
Licence Fee	8.5%	8.6%	8.6%	9.9%	9.9%
EBITDA	33.5%	31.6%	33.7%	36.1%	38.0%
Cash profit from operations after Derivative and Exchange Fluctuations	29.3%	26.9%	31.5%	32.7%	38.3%
Profit / (Loss) before tax	11.3%	9.8%	14.6%	16.9%	22.7%
Net income	8.6%	8.3%	10.9%	13.7%	19.0%

India & South Asia

Amount in Rs mn

Parameters	For the Quarter Ended				
	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
Total Revenues	121,195	117,213	113,312	112,725	107,491
Access and interconnection charges	13,127	12,912	12,372	12,775	11,570
Operating Expenses (Excl Access Charges & License Fee)	51,381	50,308	47,193	45,784	43,987
Licence Fee	12,344	11,904	11,525	11,742	10,594
EBITDA	44,343	42,089	42,222	42,424	41,340
Cash profit from operations after Derivative and Exchange Fluctuations	42,654	40,578	42,477	40,233	41,696
Profit / (Loss) before tax	21,831	21,771	24,469	23,008	24,922
Net income	18,169	18,282	20,398	19,048	20,954

	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
As a % of Total Revenues					
Access and interconnection charges	10.8%	11.0%	10.9%	11.3%	10.8%
Operating Expenses (Excl Access Charges & License Fee)	42.4%	42.9%	41.6%	40.6%	40.9%
Licence Fee	10.2%	10.2%	10.2%	10.4%	9.9%
EBITDA	36.6%	35.9%	37.3%	37.6%	38.5%
Cash profit from operations after Derivative and Exchange Fluctuations	35.2%	34.6%	37.5%	35.7%	38.8%
Profit / (Loss) before tax	18.0%	18.6%	21.6%	20.4%	23.2%
Net income	15.0%	15.6%	18.0%	16.9%	19.5%

Mobile Africa

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
Total Revenues	924	911	838	205	
Access and interconnection charges	187	167	140	31	
Operating Expenses (Excl Access Charges & License Fee)	459	518	464	109	
Licence Fee	34	36	33	9	
EBITDA	243	190	201	56	
Cash profit from operations after Derivative and Exchange Fluctuations	184	110	176	26	
Profit / (Loss) before tax	(5)	(71)	12	(16)	
Net income	(19)	(48)	(22)	(15)	

	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
As a % of Total Revenues					
Access and interconnection charges	20.2%	18.3%	16.7%	15.2%	
Operating Expenses (Excl Access Charges & License Fee)	49.7%	56.9%	55.4%	53.0%	
Licence Fee	3.7%	3.9%	3.9%	4.4%	
EBITDA	26.4%	20.8%	24.0%	27.5%	
Cash profit from operations after Derivative and Exchange Fluctuations	19.9%	12.1%	21.0%	12.8%	
Profit / (Loss) before tax	-0.5%	-7.8%	1.4%	-7.9%	
Net income	-2.1%	-5.3%	-2.7%	-7.3%	

Africa Others

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
Total Revenues					
Access and interconnection charges					
Operating Expenses (Excl Access Charges & License Fee)	19	16	7	20	11
EBITDA	(19)	(16)	(7)	(20)	(11)
Cash profit from operations after Derivative and Exchange Fluctuations	(73)	(70)	(59)	(33)	(11)
Profit / (Loss) before tax	(73)	(70)	(59)	(33)	(11)
Net income	(73)	(70)	(59)	(33)	(11)

A.2.2 Based on Statement of Financial Position

Consolidated

Amount in Rs mn

Parameters	As at				
	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
Equity attributable to equity holders of parent	487,668	467,838	462,174	435,037	421,940
Net Debt ¹⁶	599,512	598,477	601,438	602,308	23,920
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,087,180	1,066,315	1,063,612	1,037,345	445,860

Parameters	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10
Return on Equity attributable to equity holders of parent (LTM)	13.3%	15.4%	18.5%	21.3%	25.1%
Return on Capital Employed (LTM)	9.2%	11.2%	13.9%	18.4%	21.6%
Net Debt to EBITDA ¹⁷ (LTM)	2.83	2.87	2.93	2.87	0.14
Assets Turnover ratio (LTM)	57.9%	60.9%	66.1%	76.3%	89.0%
Interest Coverage ratio (times)	10.04	9.97	10.21	17.74	32.08
Book Value Per Equity Share (in Rs)	128.4	123.2	121.7	114.6	111.1
Net debt to Equity attributable to equity holders of parent (Times)	1.23	1.28	1.30	1.38	0.06
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	3.69	3.43	4.38	4.43	5.39
Net profit/(loss) per diluted share (in Rs)	3.69	3.43	4.38	4.43	5.39
Market Capitalization (Rs. bn)	1,358	1,361	1,390	1,000	1,184
Enterprise Value (Rs. bn)	1,957	1,960	1,991	1,602	1,172

Note 16: Net Debt as at December 31, 2010 has been reinstated on account of reclassification of restricted cash

Note 17: EBITDA before Re-Branding / Acquisition cost

A.2.3 Bharti's Three Line Graph

The company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

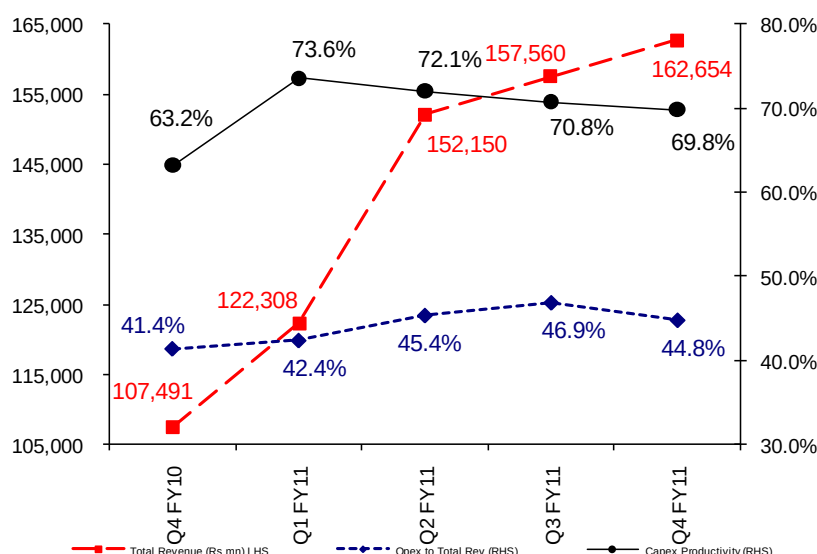
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – operating expenses divided by the total revenues for the respective period. Operating expenses is the sum of (i) equipment costs (ii) employee costs (iii) network operations costs & (iv) selling, general and administrative costs. This ratio depicts the operational efficiencies in the company.

3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the company. This ratio depicts the asset productivity of the company.

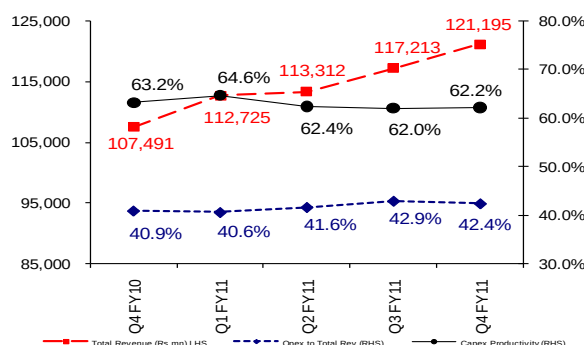
The company believes that as long as the absolute revenues keep increasing periodically, opex productivity stabilizes or keeps coming down and capex productivity keeps improving, the company's overall financial health can be tracked.

Given below are the graphs for the last five quarters of the company:

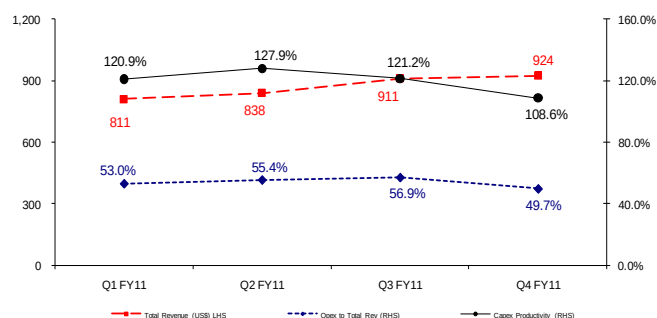
A.2.3.1 Bharti Airtel Consolidated



A.2.3.2 Bharti Airtel - India & South Asia



A.2.3.3 Bharti Airtel - Africa



Note 18: Q1 FY11 revenue has been pro-rated for 91 days.

Note 19: Three Line Graph for Bharti Airtel – Africa depicts Mobile Africa.

A.2.4 Operational Performance - India

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Customers	000's	171,162	160,685	150,407	143,017	133,283
Mobile Services						
Customers	000's	162,203	152,495	143,292	136,620	127,619
Airtel's Wireless Market Share	%	20.0%	20.3%	20.8%	21.5%	21.8%
Net Additions	000's	9,708	9,203	6,672	9,001	8,755
Airtel's Market Share of Net Additions	%	16.3%	14.3%	12.8%	17.6%	14.8%
Prepaid Customers as a % of total customers	%	96.3%	96.2%	96.1%	96.0%	95.8%
Average Revenue Per User (ARPU)	Rs	194	198	202	215	220
Average Revenue Per User (ARPU)	US\$	4.3	4.4	4.5	4.6	4.9
Average Rate Per Minute (ARPM)	Paisa	43.1	44.2	44.4	44.8	47.0
Average Minutes of Use Per User	Min	449	449	454	480	468
Monthly Churn	%	7.6%	7.8%	5.9%	5.8%	5.7%
Non Voice Revenue as a % of mobile revenues	%	15.0%	13.8%	12.7%	11.6%	11.8%
Telemedia Services						
Customers	000's	3,296	3,257	3,216	3,153	3,067
Net Additions	Nos	38,576	41,055	63,208	86,221	78,313
Average Revenue Per User (ARPU)	Rs	934	934	954	961	937
Average Revenue Per User (ARPU)	US\$	20.9	20.8	21.2	20.6	20.8

A.2.5 Traffic, Coverage and Network Trends - India

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Mobile Services	Mn Min	211,822	199,146	190,767	190,396	172,797
Telemedia Services	Mn Min	4,535	4,598	4,791	4,696	4,515
National Long Distance Services	Mn Min	19,542	18,063	17,689	17,333	15,875
International Long Distance Services	Mn Min	3,047	3,192	3,034	3,044	3,173
Total Minutes on Network (Gross)	Mn Min	238,947	225,000	216,281	215,469	196,359
Eliminations	Mn Min	(19,985)	(18,514)	(18,119)	(17,751)	(16,308)
Total Minutes on Network (Net)	Mn Min	218,961	206,486	198,162	197,718	180,052

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Mobile Services						
Census Towns	Nos	5,113	5,104	5,101	5,092	5,091
Non-Census Towns & Villages	Nos	452,215	450,293	445,893	440,023	438,933
Population Coverage	%	86.1%	85.8%	85.1%	84.3%	84.2%
Optic Fibre Network	R Kms	144,557	139,541	134,026	129,244	126,357
Network Sites	Nos	116,261	113,587	110,038	105,394	104,826
Telemedia Services						
Cities covered	Nos	87	87	88	88	89
Submarine Cable Systems	Nos	7	6	5	4	3

A.2.6 Passive Infrastructure Services

A.2.6.1 Bharti Infratel Consol

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Total Towers ²⁰	Nos	78,398	77,695	76,535	75,254	73,802
Total Tenancies ²⁰	Nos	142,039	137,209	132,917	129,248	124,668
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	32,828	33,524	33,898	33,064	32,654
Sharing Factor	Times	1.79	1.75	1.73	1.70	1.66

Note 20: Total Towers and Tenancies include proportionate consolidation of 42% of Indus Towers.

A.2.6.2 Bharti Infratel Standalone

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Total Towers²¹	Nos	32,792	32,424	31,831	31,196	30,568
Total Tenancies	Nos	57,645	55,253	52,776	51,509	50,031
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	36,599	37,859	38,041	36,290	36,878
Sharing Factor	Times	1.73	1.68	1.65	1.65	1.62

Note 21: Total Towers are excluding 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009.

A.2.6.3 Indus Towers

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Total Towers	Nos	108,586	107,789	106,438	104,901	102,938
Total Tenancies	Nos	200,938	195,133	190,811	185,093	177,706
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	30,501	30,847	31,389	30,379	29,674
Sharing Factor	Times	1.83	1.80	1.78	1.75	1.71

Note 22: Indus KPIs are on 100% basis.

A.2.7 Human Resource Analysis - India

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Consolidated						
Total Employees ²³	Nos	16,830	17,152	17,387	17,694	17,726
Number of Customers per employee	Nos	10,170	9,368	8,651	8,083	7,519
Personnel Cost per employee per month	Rs	102,657	100,103	101,050	92,152	90,067
Gross Revenue per employee per month	Rs	2,359,969	2,243,594	2,141,585	2,097,126	2,008,738

Note 23: Total Employee count of India includes proportionate consolidation of 42% of Indus Towers employees.

A.2.8 Operational Performance – Africa

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Customers	000's	44,206	42,124	40,082	36,362	
Airtel's Wireless Market Share	%	NA	NA	NA	NA	
Net Additions	000's	2,082	2,043	3,720	36,362	
Airtel's Market Share of Net Additions	%	NA	NA	NA	NA	
Prepaid Customers as a % of total customers	%	99.3%	99.3%	99.3%	99.3%	
Average Revenue Per User (ARPU)	US\$	7.2	7.3	7.4	7.4	
Average Rate Per Minute (ARPM)	US¢	6.2	6.1	6.6	7.2	
Average Minutes of Use Per User	Min	115	120	112	103	
Monthly Churn	%	6.2%	5.9%	5.8%	5.6%	
Non Voice Revenue as a % of mobile revenues	%	7.8%	7.9%	7.1%	7.9%	

A.2.9 Traffic, Coverage and Network Trends - Africa

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Mobile Services	Mn Min	14,915	14,904	12,782	3,695	
International Long Distance Services	Mn Min	-	-	-	-	
Total Minutes on Network (Gross)	Mn Min	14,915	14,904	12,782	3,695	
Eliminations	Mn Min	-	-	-	-	
Total Minutes on Network (Net)	Mn Min	14,915	14,904	12,782	3,695	

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Mobile Servies						
Towns & Villages	Nos	NA	NA	NA	NA	
Population Coverage	%	NA	NA	NA	NA	
Network Sites	Nos	11,912	11,338	10,998	10,840	

A.2.10 Human Resource Analysis - Africa

Parameters	Unit	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
Total Employees	Nos	5,687	6,434	6,371	6,600	
Number of Customers per employee	Nos	7,773	6,547	6,291	5,509	
Personnel Cost per employee per month	US\$	5,338	4,625	4,128	3,872	
Gross Revenue per employee per month	US\$	54,155	47,195	45,316	42,161	

A.3 Key Accounting Policies as per IFRS

1. Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income, expenses and cash flows of jointly controlled entities are combined with the equivalent items in the results on a line-by-line basis in the consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intra-group balances, income and expenses and unrealized gains and losses on transactions between the Group and its jointly controlled entities.

2. Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building	20
Network Equipment	3-20
Computer equipment	3
Office, furniture and equipment	2 - 5
Vehicles	3 - 5
Leasehold improvements	Remaining period of the lease or 10/20 years, as applicable, whichever is less
Assets individually costing Rs. 5 thousand or less	1
Customer premises equipment	5 - 6

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses arising from retirement or disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income on the date of retirement and disposal.

Costs of additions and substantial improvements to property and equipment are capitalized. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

3. Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition. Goodwill on acquisition of subsidiaries is disclosed separately. Goodwill arising on accounting for jointly controlled entities or entities in which the Group exercises significant influence is included in investments in the related associates/jointly controlled entities.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each date of statement of financial position. Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Negative goodwill arising on an acquisition is recognized directly in the statement of comprehensive income.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of comprehensive income on disposal.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

4. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Gains or losses resulting from foreign currency transactions are included in the consolidated statement of comprehensive income.

The assets and liabilities of foreign operations are translated into functional currency of parent (i.e. INR) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates prevailing during the period. The exchange differences arising on the translation are recognized in 'foreign currency translation reserve (FCTR)'. On disposal of a foreign operation, the component of FCTR relating to that particular foreign operation is recognized in the statement of comprehensive income.

5. Capital leases

Lessee accounting

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair

value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

Lessor accounting

Assets leased to others under capital leases are recognized as receivables at an amount equal to the net investment in the leased assets. The finance income is recognized based on periodic rate of return on the net investment of the lessor outstanding in respect of the capital lease.

6. Indefeasible right to use (IRU)

The Group enters into agreements for leasing assets under 'Indefeasible right to use' with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognized as operating lease. Direct expenditures incurred in connection with agreements are capitalized and expensed over the term of the agreement.

The contracted price is received in advance and is recognized as revenue during the period of the agreement. Unearned IRU revenue net of the amount recognizable within one year is disclosed as unearned income in non-current liabilities and the amount recognizable within one year as unearned income in current liabilities.

Exchange of network capabilities with other telecommunication service providers are recorded as non-monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

7. Impairment of long – lived assets and intangible assets

The Group reviews its long-lived assets, including identifiable intangibles with finite lives, for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic climate. For assets that the Group intends to hold for use, if the total of the expected future undiscounted cash flows produced by the asset or asset Group is less than the carrying amount of the assets, a loss is recognized for the difference between the fair value and carrying value of the assets. For assets the Group intends to dispose of by sale, a loss is recognized for the amount by which the estimated fair value, less cost to sell, is less than the carrying value of the assets. Fair value is determined based on quoted market prices, if available, or other valuation techniques including discounted future net cash flows.

8. Revenue recognition

(i) Service revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and VSAT/ internet usage charges, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls.

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid cards are recognized based on actual usage. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortized over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Subscriber acquisition costs are expensed as incurred. On introduction of new prepaid products, processing fees on recharge coupons is being recognized over the estimated customer relationship period or coupon validity period, whichever is lower.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and satellite services. Registration fee and installation charges are deferred and amortized over their expected customer relationship period of 12 months. Service revenue is recognized from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and satellite services. Revenue from prepaid dialup packs is recognized on an actual usage basis and is net of sales returns and discounts.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognized on completion of services while revenue from provision of bandwidth services is recognized over the period of arrangement.

Unbilled receivables represent revenues recognized from the bill cycle date to the end of each month. These are billed in subsequent periods based on the terms of the billing plans.

Unearned income includes amounts received in advance on pre-paid cards and advance monthly rentals on post-paid. The related services are expected to be performed within the next operating cycle.

(ii) Equipment sales

Equipment sales consist primarily of revenues from sale of VSAT and internet equipment (hardware) and related accessories to subscribers. Equipment sales are treated as activation revenue and are deferred and amortized over the customer relationship period.

(iii) Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and satellite services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of the arrangement in

accordance “Revenue Arrangements with Multiple Deliverables” applying the hierarchy in IAS 8.12.

Revenue is determined for each of the units of accounting on the basis of their fair values. Arrangements involving the delivery of bundled products or services shall be separated into individual elements, each with own separate revenue contribution. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., a ratio of the fair value of each element to the aggregated fair value of the bundled deliverables is generated). Where the Group has determined that the fair value of individual element is not ascertainable, equipment sales for these these arrangements are deferred and amortized over the term of the arrangement.

9. License fees

Acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognized at fair value at the acquisition date. License and spectrum entry fees are measured at cost less accumulated amortization. Amortization is charged to the statement of comprehensive income on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective jurisdiction and is disclosed as components of depreciation and amortization. The amortization period is determined primarily by reference to the unexpired license period.

Group's shares of licenses acquired under business combination are accounted for at their respective fair values as at the date of acquisition. The amounts are amortized on a straight-line basis over the remaining period of the license from the date of acquisition of respective circles.

The revenue-share fee on license and spectrum is computed as per the licensing agreement and is expensed as incurred.

10. Other intangible assets

Other intangible assets comprising enterprise resource planning software, bandwidth capacities, brands, customer relationships, distribution networks, licenses and non-compete clauses, are capitalized at the Group's share of respective fair values on the date of an acquisition. Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. The intangibles are amortized as follows:

- Software is amortized over the period of its license, not exceeding three years. Software up to Rs 500 thousand is amortised over a period of 1 year.
- Bandwidth capacities are amortized over the period of the agreement.
- Brand: Over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.
- Distribution network : Over estimated useful life
- Customer base: The estimated life of such relationships.

11. Income-taxes

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, and is provided using

the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the average interest rate. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

13. Derivative financial instruments

The Group enters into derivative instruments, including interest rate swaps and foreign currency forward contracts, to manage interest rate movements of its debt obligations and foreign currency exposures related to the import of equipment used in operations and its foreign currency denominated debt instruments.

All derivative instruments are recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or in other comprehensive income, depending on whether a derivative is designated as part of a hedging relationship and, if it is, depending on the type of hedging relationship.

14. Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed

annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

15. Allowance for uncollectible accounts receivable

The allowance for uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Group provides for amounts outstanding net of security deposits, or in specific cases where management is of

the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

16. Issuance of Stock by Subsidiaries

At the time a subsidiary sells its stock to unrelated parties at a price less than or in excess of its book value, the Company's investment in that subsidiary's net assets changes. The Company's policy is to record such changes in its consolidated statement of changes in equity.

GLOSSARY

Technical and Industry Terms

Company Related	
3G	Third Generation of Mobile Telephony.
ARPU (for Mobile and Telemedia Services)	Average revenue per customer per month is computed by: dividing the total revenues, excluding equipment sales during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
ARPM (Average Rate Per Minute)	Average Rate Per Minute is computed by: Dividing the total revenues by total minutes.
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Minutes of Use per user	Average minutes of usage per customer per month is calculated by dividing the total minutes of usage (incoming, outgoing and in-roaming) on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Average Sharing Operators	Average Sharing Operators are derived by computing the average of the monthly average sharing operators for the relevant period
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Towers	Average towers are derived by computing the average of the monthly average towers for the relevant period
Bn	Billion
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by issued and outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the quarter.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity holders of parent and net debt.
Cash Profit From Operations	It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization, pre-operating costs, interest expense and interest income.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
DTH	Direct to Home broadcast service
Earnings Per Basic Share.	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.
Earnings Per Diluted Share	Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above).
EBITDA	Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization and pre-operating costs.
EBITDA Margin	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	Earnings / (Loss) before interest, taxation for the relevant period.

Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
ILD	International Long Distance Services.
Profit / (Loss) after current tax expense	It is not a IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
Investments in projects	The investment in projects comprises gross fixed assets, intangible assets, capital work in progress, gross goodwill, investment in JV's and one-time entry fee paid towards acquisition of licenses.
ICT	Information Communication Technology
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.
LTM	Last twelve months.
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period.
Mn	Million
MNP	Mobile Network Portability
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	Multi Protocol Label Switching
Network Site	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not a IFRS measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, restricted cash, restricted cash non-current, short-term investments and investments as at the end of the relevant period.
Net Debt to EBITDA	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to Funded Equity Ratio	It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period.
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as a % of consolidated revenue	It is computed by dividing the total non-voice revenue of the company (consolidated) by the total revenues for the relevant period. Non-voice revenues include VAS Revenues for Mobile, VAS and Internet Revenues for Telemedia Services and Bandwidth and Internet Revenues for Enterprise Services.
Non Voice Revenue as a % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue for mobile services includes revenues from value added services (including SMS, GPRS, MMS, Ring Back Tones etc.).
Operating Cash flow	It is computed by subtracting capex from EBITDA after acquisition related costs.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2009, 2010 and 2011. ROCE is computed by dividing the sum of net profit and finance cost (net) for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.

Return On Equity attributable to equity holders of parent	For the full year ended March 31, 2009, 2010 and 2011, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
SA	South Asia
Sharing revenue per Sharing Operator per month	It is computed by dividing gross revenue less energy and other pass through, from Passive Infrastructure services by average sharing operators.
Sharing factor	It is computed by dividing average sharing operators by average towers.
Total Tenancies	It is the sum of all operators sharing total towers.
Total Towers	It is the sum of ground based towers, roof top towers and others.
TSP	Telecom Service Provider
Total Operating Expenses	It is defined as sum of equipment costs, employee costs, network operations costs and selling, general and administrative cost for the relevant period.
Underlying EBITDA Margin	It is calculated by dividing EBITDA before re-branding and acquisition related costs for the relevant period by the Total Revenues for the relevant period.

Regulatory

ACT	Apex Advisory Council for Telecom in India
AUSPI	Association of Unified Telecom Service Providers of India.
BTSS	Base Transceiver
BWA	Broadband Wireless Access
3G	Third - Generation Technology
COAI	Cellular Operators Association of India
CMTS	Cellular Mobile Telephone Service
DoT	Department of Telecommunications
EMF	Electromagnetic Field
ICNIRP	International Commission for Non Ionisation Radiation Protection
ISP	Internet Service Provider
IUC	Interconnection Usage Charges.
MNP	Mobile Number Portability
OFC	Optical Fiber Communication
TEC	Telecom Engineering Centre
TERM	Telecom Enforcement, Resource and Monitoring
TRAI	Telecom Regulatory Authority of India.
UASL	Unified Access Service License.
UCC	Unsolicited Commercial Communication
UPC	Unique Porting Code
VSAT	Very Small Aperture Terminals

Others (Industry)

BSE	The Stock Exchange, Mumbai
RBI	Reserve Bank of India
GSM	Global System for Mobile Communications.
CDMA	Code Division Multiple Access
IGAAP	Generally Accepted Accounting Principles in India.
USGAAP	United States Generally Accepted Accounting Principles.
IFRS	International Financial Reporting Standards
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
SMS	Short Messaging Service.

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