

{ enriching lives }



Bharti Airtel Limited - Abridged Annual Report 2011-12

Board of directors



Sunil Bharti Mittal



Akhil Gupta



Chua Sock Koong



N. Kumar



Ajay Lal



Craig Ehrlich



Pulak Prasad



Rakesh Bharti Mittal



Tan Yong Choo



Evan Mervyn Davies



Rajan Bharti Mittal



Hui Weng Cheong



Nikesh Arora



Salim Ahmed Salim



Tsun-yan Hsieh



Manoj Kohli

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Corporate information

Board of directors	Mr. Sunil Bharti Mittal Chairman & Managing Director Mr. Akhil Gupta Mr. Craig Ehrlich Mr. Hui Weng Cheong Mr. Nikesh Arora Mr. Rajan Bharti Mittal H.E. Dr. Salim Ahmed Salim Mr. Tsun-yan Hsieh	Mr. Ajay Lal Ms. Chua Sock Koong Lord Evan Mervyn Davies Mr. N. Kumar Mr. Pulak Prasad Mr. Rakesh Bharti Mittal Ms. Tan Yong Choo Mr. Manoj Kohli CEO (International) & Joint Managing Director
CEO (India & South Asia)	Mr. Sanjay Kapoor	
Group General Counsel & Company Secretary	Mr. Mukesh Bhavnani	
Statutory Auditors	M/s. S. R. Batliboi & Associates Chartered Accountants	
Internal Auditors	M/s. PricewaterhouseCoopers Private Limited M/s. ANB Consulting Private Limited	
Registered & Corporate Office	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India	
Website	http://www.airtel.in	

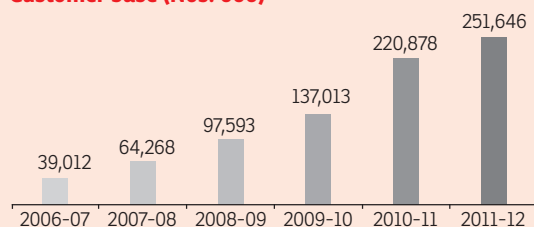
Performance at a glance

Particulars	Units	Financial Year Ended March 31					
		2007	2008	2009	2010	2011	2012
Total customer base	000's	39,012	64,268	97,593	137,013	220,878	251,646
Mobile services	000's	37,141	61,985	94,462	131,349	211,919	241,148
Broadband & telephone services	000's	1,871	2,283	2,726	3,067	3,296	3,270
Digital TV services	000's	-	-	405	2,597	5,663	7,228
Based on consolidated income statement							
Revenue	₹ Mn	184,202	270,122	373,521	418,948	595,383	714,508
EBITDA	₹ Mn	74,407	114,018	152,858	168,149	200,718	237,123
Cash profit from operations	₹ Mn	73,037	111,535	135,769	167,971	178,905	198,939
Earnings before tax	₹ Mn	46,784	73,115	85,910	105,091	76,782	65,183
Profit after tax	₹ Mn	40,621	63,954	78,590	89,768	60,467	42,594
Based on consolidated statement of financial position							
Shareholder's equity	₹ Mn	114,884	217,244	291,279	421,940	487,668	506,113
Net debt	₹ Mn	42,867	40,886	84,022	23,920	599,512	650,394
Capital employed	₹ Mn	157,750	258,130	375,301	445,860	1,087,180	1,156,507
Key ratios							
EBITDA margin	%	40.39	42.21	40.92	40.14	33.71	33.19
Net profit margin	%	22.05	23.68	21.04	21.43	10.16	5.96
Return on shareholder's equity	%	43.10	38.51	30.91	24.52	13.30	8.57
Return on capital employed	%	31.57	33.29	30.69	20.65	10.79	7.20
Net debt to EBITDA	times	0.58	0.36	0.55	0.15	2.95	2.56
Interest coverage ratio	times	26.47	29.51	30.38	30.65	11.20	8.40
Book value per equity share *	₹	30.30	57.23	76.72	111.13	128.41	133.27
Net debt to shareholder's equity	times	0.37	0.19	0.29	0.06	1.23	1.29
Earnings per share (basic) *	₹	10.72	17.12	20.70	23.67	15.93	11.22

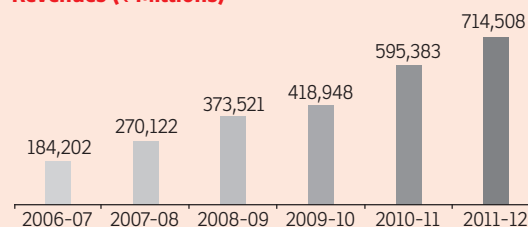
Financial information for years ending till March 31, 2009 is based on Indian GAAP and for years ending March 31, 2010, 2011 & 2012 is based on IFRS.

*During the financial year 2009-10, the Company has sub-divided (share split) its 1 equity share of ₹ 10 each into 2 equity shares of ₹ 5 each. Previous year's figures have been restated accordingly.

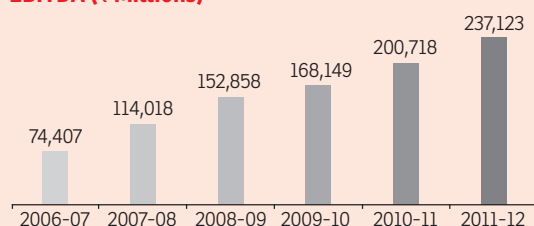
Customer base (Nos.'000)



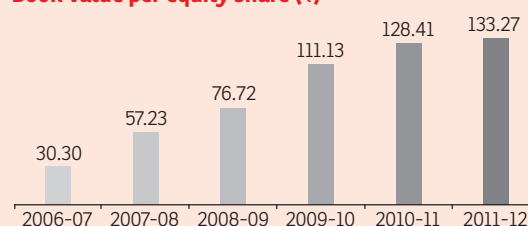
Revenues (₹ Millions)



EBITDA (₹ Millions)



Book value per equity share (₹)



Chairman's message



Dear Shareholders,

2011-12 has been a challenging year for the global economy. Even as the US economy has registered a slow but steady recovery, the Euro Zone has plunged into one of the worst debt crises in global history. Commodity price volatility and sharp exchange rate fluctuations have also taken their toll on global growth.

At the industry level, telecom is in the midst of a tectonic shift. Data is clearly the future of mobile telecom and Airtel is gearing itself up for this. New generation mobile technologies with much faster data capabilities are steadily taking root, opening up mind-boggling possibilities in new service areas like healthcare, banking, commerce and education. Still at an early stage of this shift, as voice continues to be the mainstay of the telecom industry, Airtel has taken some defining early initiatives to reinforce our leadership in the emerging data centric environment, much the same way as we enabled the 'voice revolution' in India.

During the year, Bharti Airtel led from the front as we systematically rolled out our 3G network, across India, making Airtel the most robust network in the country. We also launched our 3G networks in seven African markets. Our launch of 4G services in April 2012 marked another watershed for the Indian telecom industry. This is the first technology platform that India has launched simultaneously with its global release, helping move the Indian telecom industry to a global standard.

Airtel Money was a distinctive service launch for us during the year in India and eight other African markets. Besides being the first of its kind, m-commerce service offered by an operator in India, it is also India's first mobile-based service to offer instant money transfer. The rapidly growing service is today available in 300+ key cities in India. The service is gaining rapid traction in the African market as well where penetration of banking services remains short.

The year also saw several significant changes in the regulatory landscape in India. These will have long term implications for the sector. Cancellation of several 2G licenses allotted to other telecom operators by the Hon'ble Supreme Court was one such significant event. The issue of pricing of 2G spectrum in India is however still hanging fire. We are hopeful that both the Regulator and the Government will finally come to a judicious auction-led pricing formula in the interest of the sector's financial health.

To align our businesses to the evolving dynamics of the marketplace in India & South Asia, we ushered in key structural changes in the organisation. We are now organized under two distinct verticals – B2C (Business to Customer) and B2B (Business to Business). The restructured business verticals are helping drive enhanced employee empowerment and business efficiency and helping strengthen the foundation for the needs of our most important stakeholder, our customer.

In Africa, the individual country operations stabilized considerably both in terms of customer addition rate, revenue growth and brand salience. Operating margins too strengthened significantly, as benefits of the low cost business model started to kick in. Overall, it has been a very steady, upwardly moving learning curve for us in the continent readying us for the next round of growth. Crossing the 50 million customer mark

constituted a major milestone for us in the region during the year. Launch of mobile services in Rwanda was the other high point for us in the continent, marking the 20th country in our global footprint.

The past year witnessed Airtel reconnecting with its prime target audience – the youth – with a path breaking brand campaign in India – 'Har Friend Zaroori Hai'. The campaign had a universal appeal and resonated deeply among the target segment. The other major youth related theme that we developed across all our operations was that of sports. While we introduced Formula One in the Indian sub-continent, in Africa, we connected with youth through Airtel's Rising Stars programme for football enthusiasts. We are confident that these two properties will help augment the Airtel brand considerably.

Relationships with business partners continue to be at the heart of our success. Setting up of a robust Global Delivery Model (GDM) and successful replication of partner ecosystems have contributed immensely to our success in Africa. In India too, we have renewed many of our managed network services contracts besides entering into relationships with new partners in emerging technology areas such as 3G and 4G.

People continue to be the most important driver of our strategic intent and initiatives. Our extended global presence makes it imperative to implement a global talent management plan that helps achieve a balance between promotion of local talent and expat induction. The 'Africa Leadership Initiative' is a step in this direction to complement our initiatives in India and South Asia to create a sustainable talent pipeline for our operations.

As a responsible corporate, we continue to stay focused on running our business in an environmentally sustainable and socially responsible manner. While we continued to find innovative ways to reduce our carbon footprint, our philanthropic arm, the Bharti Foundation focused its energies primarily on upgradation and consolidation of its operations in India. Of the 253 schools being run by the Foundation, we upgraded 62 to the Elementary level. The Foundation also added four more Senior Secondary Schools to its portfolio during the year, taking our student population to over 37,000 children across rural India. Airtel Africa continued to strengthen its primary school adoption programme. We currently have 20 schools adopted across the 17 markets in Africa and intend to take this count to 45 during the coming year.

Overall, 2011-12 turned out to be a year of stabilisation and growth in Africa, where the individual operations strengthened their market position vis-à-vis competition. In India, it was a year of reassertion of our connect with the customer and leadership through technology.

I would like to express my sincere gratitude to all our shareholders, partners and employees for their unwavering support during the year. As the Industry's regulatory landscape becomes clearer, I see an exciting journey ahead for Airtel – one of new approaches, new challenges, new opportunities and new horizons.

Sunil Bharti Mittal
Chairman & Managing Director

CEO (International) & JMD's message



Dear Shareholders,

By March 2012, we completed 21 months of Bharti Airtel's presence in Africa. While we face economic and business challenges, we continued to drive growth in our Brand preference, Revenue Market Share and superior margins.

The last financial year was a positive one for us despite major restructuring of Network, IT, Call Centre, Brand, Distribution as well as organization design. We recorded significant successes in our operations across Africa and successfully launched key initiatives such as Airtel Money, 3G network rollout, school adoption initiative and most importantly, launch of operations in Rwanda in a record time. The launch of operations in Rwanda thus expanded our footprint in Africa to 17 countries.

We also witnessed increased collaboration and team work across the OpCos, and this is evident in the way we are succeeding in the market place. The acquisition of our 50 millionth customer in Africa is testimony to this success. When we set out on our journey in June 2010 with 36 million customers, we clearly set out our vision of becoming "the most loved brand in the daily lives of African people". We have already embarked on the next part of our journey of acquiring the next 50 million customers in Africa.

One of the key opportunities in Africa remains the low penetration levels in most of our countries of operation. We are fully exploiting this opportunity and driving deeper penetration through affordability based initiatives, especially in the rural areas. Deeper distribution, low denomination recharge vouchers and ultra-low cost handsets are some of the initiatives we have been running during the year to address this opportunity. These initiatives will also continue to be a big focus for us in the coming year.

We are also leveraging 3G and Data Services, which are currently untapped in Africa. We launched our 3G operations in seven countries during the year, namely Nigeria, Zambia, Tanzania, Ghana, Kenya, Sierra Leone and Congo B. Driving 3G and data services are in line with one of our key objectives of growing non-voice revenues. We are also aggressively driving penetration of low cost smartphones and dongles to ensure that our customers have affordable access to our 3G and data services. 3G launches for the remaining countries that have licenses will take place by September 2012.

As the unbanked population in Africa is high (in most countries over 90%), we are also leveraging this through Airtel Money. This is a truly unique product which enables our customers even in the rural areas to be connected to the financial world. Airtel Money has been launched in 8 countries, namely, Zambia, Tanzania, Ghana, Malawi, Kenya, Uganda, DRC and Gabon. The launches for the remaining countries will take place by September 2012.

Half of Africa's population comprises of youth between the ages of 15 – 25 with the median age being 18. This is another opportunity area that we have identified and have thus launched youth campaigns tailor made to the specific countries. The youth of Africa have fully embraced the use of telephony and internet services, especially the use of social network platforms such as Facebook, Google and Twitter. Content download, especially music and video are also proving to be popular amongst the youth of Africa. We have therefore

been fully leveraging this opportunity. It will continue to be a key focus area for us during the coming years.

One of the biggest passion points for Africa is football. As expected, Airtel Rising Stars (ARS), our grassroots football development initiative, continued to take center stage across our markets during the year. We are also leveraging on our partnerships with Manchester United and Arsenal. This initiative has proved hugely popular with the youth of Africa and the society at large and we will also continue to focus on this initiative in the coming year as well.

In line with our CSR philosophy of supporting the education of underprivileged children, we continued to adopt and support schools in our African markets. We currently have 20 schools adopted across our markets and we intend to end the coming year with 45 schools.

We also launched our "Africa Leadership initiative" which is an initiative to develop the skills and capabilities of our people in all our markets of operation. The initiative has received positive feedback and will continue to run in the next year.

Despite the tough economic environment in a few markets such as Malawi and Madagascar, we experienced growth in our Revenue Market Share and Brand preference. Having said this, Africa still does present its unique challenges of dealing in 17 different geographies. Consequently, we have been executing a proactive plan of managing the complexities of dealing with 17 different currencies, tax regimes, regulations and cultures.

As we look forward to the road ahead, we recognize an era of much greater stability and quality through teamwork and rigor. All these will enable us focus on deploying our top transformation projects across the 17 countries of operation. Key focus areas would include growing non-voice revenues, deeper distribution, superior network quality and Africa leadership development. We shall also be leveraging the fantastic opportunities that 3G data, Youth, SMB and Airtel Money present to us. Exploited fully, these opportunities have the capacity to make us truly a distinct brand to both our current and prospective customers in the market.

Africa has been a long term bet for the Company and rightly so due to its large population, median age of 18 years, growing democracies and economies and finally intrinsic customer need for telephony, internet and money transfer services. Fortunately for us, within 21 months the Airtel brand is already getting identified as a high quality service provider for these three core services across 17 markets.

I am sure this good start will result in stronger leadership in various African markets in the years to come.

Manoj Kohli

CEO (International) & Joint Managing Director

CEO (India & South Asia)'s message



Dear Shareholders,

The year 2011-12 has been an exceptionally challenging year for the telecom industry. Uncertainty and ambiguity arising out of the regulatory developments coupled with sustained hyper-competition is making this the toughest phase for the industry since its inception.

Agility emanating from internal synergies and business efficiencies has been Airtel's hallmark.

They constitute an intrinsic part of our DNA and have always guided our growth strategy. In the backdrop of fairly fluid business environment and ever intensifying competition, Airtel continued its focus on the key value drivers of its business and delivered successful results this year.

More than 10 years have passed since the last National Telecom Policy (NTP). Markets have evolved; new technologies have emerged. Looking ahead, progressive policies by the government and the telecom regulator are important to facilitate continued expansion and transformation of the sector.

As we move ahead, we constantly strive to imbibe best practices from the global fraternity. Last year we launched our **Vision 2015**, focusing at becoming *the most loved brand and enriching lives of millions*. Stepping forward in this direction, we launched *New Ways of Working* that aims to bring us closer to our customers. We have re-aligned the organizational structure to bring forth a leaner Integrated Customer Centric organization that provides a 'single face' to all our customers.

2011-12 was the year of celebration of friendship for Airtel, reinforcing what the brand truly believes in – the value of human relationships. We launched our new endearing brand anthem, connecting with audiences through the ever pervasive and appealing theme of friendship. *Har Friend Zaroori hai, Yaar* (HFZ) struck the right chord with our customers and its distinctive *youth* flavor captured the imagination of the nation. In line with the Company's new international brand identity and positioning, it targets the 18 year old, strengthening our youth connect.

Today, India is amongst the youngest nations in the world with more than 50% of its population below the age of 26. The so-called *Internet generation* has become synonymous with fast-paced lifestyles, desiring instant gratification. We at Airtel have kept pace with the generation and have serviced them, their way. They want a multitude of options without having to commit to subscriptions or memberships – we have provided innovative products to them. They are constantly immersed in technology – we support their multitude devices. These well-informed young adults know what they want. Engaging and empowering them is the mantra.

The ever changing and developing technology demands from the telecom service provider to display dynamism, agility and a 'perpetually future ready' state. While we were behind many countries in the launch of 2G and 3G telecom services, Airtel has ensured that India matches the rest of the world with the launch of the 4G services in April 2012. We have sharpened our focus on leveraging the *data revolution* that will set Airtel on an even higher growth trajectory.

Focusing on the high growth and revenue potential of data, we rolled out our 3G network across geographies giving exemplary 3G experience to our consumers in more than 1100 towns and cities.

Superior customer experience has been our brand hallmark. To provide an exhilarating internet experience, we upgraded all our DSL customers

to a minimum speed of 2Mbps in 14 top cities and to 1Mbps in the rest of our coverage area. Our presence across platforms makes us the only player providing the entire suite of data products, across 2G, 3G, 4G and wired DSL enabling our customers to use data across screens.

Living our *Vision 2015*, during the year, we augmented our digital TV portfolio with the launch of a mosaic of interactive service and HD channels. Equipped with best in class technology and superior customer experience, we are well poised to leverage the digitization opportunity in the forthcoming year.

A pioneering service on the telecom network in India, Airtel Money (Semi Closed Wallet) was launched nationally in Feb'12 and is currently available in over 300 towns. In the coming months, we will deepen the impact of Airtel Money by expanding the usage options across a vast range of merchants. With our alliances with the best in class banking institutions, the rural and unbanked mobile subscribers will now have a mobile phone-cum-money account, ushering the next phase of economic revolution through mobile telephony.

The Airtel Enterprise Group got a new identity as *airtel business*, with an objective of strengthening Airtel as a distinct business brand and creating more smiles per cubicle. In its new *avatar*, Airtel business's common product factory services the large corporate and SME portfolio.

Sri Lanka and Bangladesh are on a growing trend after being integrated into the existing systems. In Sri Lanka, we transformed our position in the market to a *youth brand* and in Bangladesh we moved to the new E-GSM frequencies to improve our network performance and repositioned ourselves as a *contemporary brand*. With 65% network penetration in Bangladesh, we continue to invest in expanding our network reach and brand presence.

Despite phenomenal growth in the telecom sector during the last decade, mobile penetration in rural India stands at less than 40%. To bring technology closer to home for all, Airtel continues to invest in rural areas and hence towards the development of the nation.

Over the last couple of years we have progressed from being a *voice only company* to a *voice and data company* and hence we need to adopt a multi dimensional, yet integrated approach to deliver superior customer experience. The boundaries are disappearing between a Telco, an application provider and a device manufacturer. It is time to emerge as a collaborative player fulfilling the customer needs across dimensions of screens and devices. The next revolution in mobile telephony will emerge from the use of wireless in areas like healthcare, banking, retail and education. Driven by data penetration, especially in the rural areas, mobile phones will increasingly become life enriching tools.

We strive to keep our customers at the centre of all that we do and do our best to engrain this into our value system. As we step into another exciting year, we look forward to crossing new milestones in 2012-13. With this, I would like to express my sincere gratitude to all our employees, shareholders and partners for their unwavering support. I am confident that in our pursuit of **Vision 2015**, we would take our organization to greater heights!

Sanjay Kapoor
CEO (India & South Asia)

Corporate social responsibility

At Bharti Airtel, business success is not just about profits and shareholder returns. We believe in pursuing a wider socio-economic objective and have always endeavoured to not just live up to it, but try and exceed the expectations of the communities in which we operate.

With a global presence in 20 markets, spread across two continents, our business units in different geographies have taken great care to promote the cause of social inclusiveness and environment protection alongside their business objectives. Their hard work and devotion to these objectives have endeared the Company to its stakeholders across geographies.

In India, most of Company's welfare initiatives, like the previous years, were routed through Bharti Enterprises' philanthropic arm Bharti Foundation, while in Africa the Company continued to drive its social programme through its own business entities.

Bharti Foundation

DELIVERING QUALITY EDUCATION

Bharti Foundation is the philanthropic arm of Bharti Enterprises and was set up in the year 2000 "to help underprivileged children and young people realize their potential." Implementing and supporting primary, secondary and higher education initiatives, Bharti Foundation aims to bridge the education divide and help create an equitable and empowered society contributing towards the overall development of the nation.

THE SATYA BHARTI SCHOOL PROGRAM-SETTING BENCHMARKS IN QUALITY EDUCATION

The Satya Bharti School Program is the flagship rural education initiative of Bharti Foundation. Launched in 2006, the program is one of the largest end-to-end initiatives in education, undertaken by a corporate in India. Envisioned as temples of learning, radiating knowledge & excellence for underprivileged children, Satya Bharti Schools provide quality education, free of cost to underprivileged children in rural India with a special focus on the girl child.

The program complements the nation's education agenda in a substantive way and aims to find innovative solutions to address ground challenges. It aims to set up 500 primary and 50 senior secondary schools delivering quality education to more than 2,00,000 underprivileged children at full capacity in the rural parts of India.

Currently Bharti Foundation runs 253 Satya Bharti Schools, of which 186 are primary, 62 are elementary and five are senior secondary schools. Of the 62 elementary schools, 50 have been recently upgraded from the primary to elementary level in partnership with Google Inc. The five senior secondary schools are being operated in a Public-Private Partnership mode under the Adarsh Scheme of the Punjab Government.

DEVELOPING LEADERS OF TOMORROW

Focussing on holistic development of children, the Satya Bharti Schools aim to help transform children into educated, confident and responsible citizens of tomorrow with a deep sense of commitment

Key Features of Satya Bharti Schools

- Quality education initiative
- Underprivileged children
- Rural-based
- Free schools - No fees, Mid-day meals, textbooks, notebooks etc.
- Pre-primary to class XII
- Special focus on the girl child
- Vocational education

Bharti Foundation Statistics (As on 30th April'12)

• Total Number of Schools	: 253
– No. of Primary Schools	: 186
– No. of Elementary Schools	: 62
– No. of Senior Secondary Schools	: 5
• Total Number of Students	: 37648
• Total % of Girls Enrolled	: 49%
• % of SC/ST/OBC Children	: 77%
• Total Number of Teachers	: 1334
• % of Female Teachers	: 58%

to the communities in which they live. The teaching learning process at the Satya Bharti Schools thus focuses not only on helping children develop academic aptitude but also works at empowering them with knowledge, skills, ethics, values and respect for people and environment. This will enable them to stand up for the right causes and successfully navigate challenges that lie ahead.

Encouraging children to be change agents of tomorrow, community development campaigns form an integral part of the Satya Bharti School curriculum to help students identify and address social issues in their own villages and local communities. Over the years students have addressed issues like empowerment of the girl child, child marriage, empowerment of widows, global warming etc. Our belief is that this focus on holistic development will go a long way in developing children as the leaders of tomorrow, helping them contribute to the overall development of the country.

Satya Bharti School students have also won accolades for such community endeavours at various international platforms such as the Design for Change School Contest in 2011, 2010 and 2009 and Pramerica Spirit of Community Awards in 2012 and 2011.

PARTNERSHIPS FOR CHANGE

Working in the rural pockets of the country for over six years, the Satya Bharti School Program has emerged as a credible philanthropic investment opportunity for various corporates and individuals, globally, in the context of their own goals and capabilities. Corporates and individuals have come forward to support the program either through large monetary donations to the corpus or supporting school operational costs for specified periods of time under the school adoption scheme. Donations for specific programs like teacher training, mid-day meals, solar panel installation, or material donations like computers, fans, etc. have also proved to be effective ways of engagement for corporate and individual donors. Some of the partners have also provided technical expertise to the Bharti Foundation team, helping strengthen aspects of the program for better implementation.

GLIMPSES OF STUDENT CAMPAIGNS

Campaign Name: 'A March against Desert March' (Plantation Drive in the Desert)

Satya Bharti School, Belwa Ranaji, Rajasthan, located in western Rajasthan amidst sand dunes and barren hills, the village of Belwa Ranaji faced the harmful effects of advancement of sand dunes on their regular living and livelihood. The advance movement not only destroyed fertile land in the area but also made transportation difficult for residents. The students of the Satya Bharti School in the village saw this as an imminent danger facing their community and decided to find solutions to address the problem. Initiated through awareness programs and garnering community support, the campaign helped in mobilizing the entire village to proactively undertake initiatives to arrest the movement of sand dunes through large scale plantation drives. While the impact of the plantation drive is a long drawn process, the student led initiative has created awareness about the impact of the issue and has also compelled the Sarpanch to declare the sand dunes as protected land.

ACCOLADES AND RECOGNITIONS

Bharti Foundation received several awards during the year for its impact through the Satya Bharti School Program.

- a. World Education Award-Best Public Choice Award for Innovative Practices in Education 2011
- b. Best NGO for Excellence in Education at Concern 2012 – Consortium for Competence in Education and Research for National Development.
- c. Global CSR Awards in the category of Corporate Social Responsibility – Education

GROUP COMPANIES SUPPORT TO BHARTI FOUNDATION

Bharti Airtel Limited along with other Bharti Group companies support the Satya Bharti School program in a number of ways.

i. Young Leaders Initiative

As a part of the corporate induction schedule at Bharti Airtel Limited, there is a special two week program wherein the new recruits of the Company are sent to volunteer on location at the Satya Bharti Schools as an element of their CSR orientation. In 2011-12, 74 Young Leaders from the Company volunteered for 15 days across 74 Satya Bharti Schools in Punjab and Haryana.

Spending a fortnight actively participating in the operational aspects at the schools, the Young Leaders also spent considerable amount of time engaging with community members as a part of the exercise. With community engagement and participation being an integral focus area of the Satya Bharti School Program, the involvement of the Young Leaders went a long way in reinforcing positive community support towards the program and also establishing the credibility of the schools among parents, community members and opinion leaders of the area. They also spent the fortnight sharing their knowledge and doubled up as mentors to the teachers assisting them in their day to day work and supported them and students on the usage of computers.

ii. Employee Philanthropy Program

ACT – A Caring Touch is an employee philanthropy initiative that provides Bharti Group employees a platform to contribute to any charity of their choice in terms of time, skills, knowledge or money. Under ACT, each monetary donation is matched equally by the respective Group Companies. In financial year 2011-12, of the ₹ 15.85 Mn contribution made towards the Satya Bharti School Program, ₹ 8.8 Mn were contributed by the employees of Bharti Airtel Limited.

iii. Other Ways of Engagement

Apart from monetary contributions, employees of Group Companies actively volunteer on-site at the Satya Bharti Schools, connecting with children and sharing with them their own skills and knowledge. In financial year 2011-12, of the 120 on-site volunteers, 82 employees were from Bharti Airtel Limited. In addition, employees of the West Bengal, Tamil Nadu, Uttar Pradesh, Rajasthan and Delhi Circles extended immense support to the Satya Bharti School Program in their respective areas in various ways.

The Rajasthan Circle launched a Girl Child Campaign in partnership with the Satya Bharti Schools to promote education for girls in rural Rajasthan. Mobile vans were used for a period of one month as a medium, to cover more than 300 villages across Rajasthan on educating the villagers about the importance of girl child education and eradication of child marriage, through puppet show, aptly titled "Guddi". This initiative won the prestigious SILVER award at EEMA's EEMAX 2011 AWARDS at Goa in the "Best CSR / Environmental Initiative" category for the campaign – Airtel Hamari Guddi.

iv. Airtel Delhi Half Marathon

The Airtel Delhi Half Marathon (ADHM) being held every year since 2008 provides Bharti Foundation a great platform to showcase its work in the field of education. It also provides an opportunity to like-minded organizations and individuals to contribute towards this social cause. Apart from Group Companies, various partners of Bharti Airtel Limited, joined the event this year to run in support of the Satya Bharti Schools, generating monetary contributions for the program. The ADHM 2011 saw senior management from Airtel and 30 corporate teams run for the Foundation, raising approximately ₹ 9.4 million towards the program.

THE CHANGEMAKER AWARDS

Bharti Airtel Limited was awarded with The Changemaker Awards 2011-12, constituted by the CSR Council of Bharti Enterprises in association with Bharti Foundation that felicitates and acknowledges the efforts made towards corporate social responsibility by the Bharti Group Companies and their employees. Airtel Africa was also awarded with a Special Jury award for their efforts in contributing to the society at large.

Africa Initiatives

AIRTEL AFRICA'S SCHOOL INITIATIVE

Airtel Africa has adopted at least one primary school in each of the 17 African countries that it has a presence in. The CSR team has worked to improve the quality of education provided in the rural areas, to underprivileged children, working hand in hand with the governments in these countries. The team has been successful in the projects, having touched the lives of over 11,500 primary school children through the identified 20 schools so far, all of which are in rural areas. The "Our School" adoption program, which has a unifying identity in Africa, provides infrastructure refurbishment, school uniforms, furniture, books, teaching aids and broadband connectivity.

We have partnered with Nokia, in an ICT initiative called NOKIA NED, to provide broadband connectivity to schools in Nigeria, over and above our adopted schools. In this initiative, Nokia Education Delivery uses mobile technology to deliver educational videos to schools in remote, hard-to-reach areas. The videos can be used for any educational purpose, from school lessons to training sessions. So far, 30 schools have benefitted from this initiative implemented in Nigeria.

AIRTEL AFRICA AND UN MILLENNIUM DEVELOPMENT GOALS

As part of the UN Millennium Development Goals, Airtel has partnered with the Earth Institute, a non-profit organization, to provide connectivity to 8 villages in 6 countries in Africa – Ghana, Kenya, Malawi, Nigeria, Tanzania and Uganda. All these are referred to as "Millennium Villages". Airtel is committed to

ensure telecommunications and Internet services to these villages through its network. As part of this initiative, Airtel provides SIM cards to the Community Health Workers and establishes the local emergency numbers (toll free) as needed by each village besides taking care of maintenance of the sites in these villages.

Airtel adopted Millennium Villages

- Bonsaaso - Ghana,
- Sauri and Dertu- Kenya,
- Mwandama- Malawi
- Pampaida and Ikaram- Nigeria,
- Mbola- Tanzania
- Ruhiira- Uganda

Community Initiatives

Besides participation in the volunteering program and contribution in the community initiatives through Bharti Foundation's Satya Bharti Project, employees of Bharti Airtel engage themselves in various community service programs including initiatives on green environment, disaster management and improvement in the standard of living of underprivileged communities. Along with this, they also work on increasing level of awareness amongst the underprivileged on issues of health, safety and environment.

DISASTER RELIEF AND SUPPORT

In August, 2011, when floods hit Assam bringing life to a standstill, employees of Airtel NESA circle helped the affected people by providing food packets and clothes through their Flood Relief initiative. They covered the West Dhemaji District of Assam, including villages like Naruathan, Ujani Naruathan, Laomuri, Ghuguha Chapari, Kesu Khanda Chapari and Kesu Khanda Kuchgaon.

During September 2011, when Odisha was hit by devastating floods, Team Airtel visited 120 villages and operationalized seven PCOs helping villagers to connect with their relatives in other places. 1,000 packets containing food items and other essentials like candles were also distributed in the area.

FARMER'S WELFARE

Bharti Airtel takes advantage of its vast presence in India to reach out to farmers. It provides them with vital information on weather, mandi prices, agronomy, horticulture, forestry, government schemes, etc. through its joint venture with IFFCO - IFFCO Kisan Sanchar Limited (IKSL).

We have a strong association with NABARD (National Bank for Agriculture and Rural Development) in many states to drive various programs for farmer welfare. These include providing financial literacy to farmers in Gujarat, enhancing crop productivity in certain districts of Haryana & Odisha and reaching out to farmers in the water shed areas in Karnataka.

OTHERS

"Save Energy" drive and "Earth Hour" saw employees campaigning and contributing to various means of saving electricity by adopting alternate means of commuting, switching off unnecessary lights and non-essential equipment. We also ran several contests to promote awareness on environment issues and safety. Trees were planted and support was harnessed from local communities to safeguard against global warming and deforestation.

Green Energy Initiatives

The challenge for telecom companies today lies in managing their energy requirements at extremely dispersed locations. At Bharti Airtel, we understand that being the market leader it is our responsibility to lead the way for green telecom initiatives. With limited reliable access to grid power supply for the telecom network, we have adopted energy initiatives with a goal of reducing carbon foot print in different markets.

INDIA

Green energy initiatives in India were primarily driven through four major programmes:

A. Energy conservation and efficiency– For energy conservation and efficiency we have taken some major steps:

- i. Network deployment with Outdoor BTS:** Air conditioning at typical base station consumes 35-40% of total power. Base station with outdoor BTS does not require air-conditioning, thus reducing power consumption. We have deployed 67% incremental sites as Outdoor BTS sites in financial year 11-12 and plan to increase it to 75% in financial year 12-13.
- ii. Network deployment with low power consuming BTS:** Our endeavour is to build the network with power efficient electronics. The power consumption of new family of BTS is 0.8-1.0 KW. Our concerted efforts in the last 5 years, has enabled us to reduce power consumption per BTS by 60%.
- iii. Auto TRX shutdown feature at existing sites:** Traffic at our cell sites varies with time. During non peak hours some of the TRX can be switched-off to reduce the power requirement at existing sites. With help from our vendor-partners, we have developed and implemented Auto TRX shut down feature in ~60,000 sites across our network. This has helped reduce power consumption in these sites by 10-15% during lean traffic hours.

B. Infrastructure sharing of sites:

Sharing the existing passive infrastructure is another major initiative taken by Bharti Airtel:

i. Network deployment as sharer: 68% of the incremental sites in the year 2011-12 were deployed on sharing basis. These sites share the existing power infrastructure with tower companies to reduce carbon footprint.

ii. Tower consolidation at existing sites: To optimise energy usage at the cell sites, we have completed the proof of concept of "Tower consolidation" along with other operators in sites provided by Indus Towers. In this project, assets of all operators were consolidated to one tower at the location where Indus had more than one tower in the nearby vicinity. In the year 2011-12, we consolidated 750 such sites.

C. Renewable / Alternate energy

i. Project "P7" with Bharti Infratel: With the objective of reducing diesel consumption at our cell sites, Bharti Infratel, subsidiary of Bharti Airtel Limited, pursued a programme known as 'P7'. Under this programme, 1,300 sites in Bihar have completed Solar PV installation. Other technological interventions like DG Optimization and IPMS (Integrated Power Management Solution) were implemented to reduce the diesel footprint at our network sites. Apart from this, we pursued a number of other opportunities such as using bio-diesel in Andhra Pradesh, fuel cells in Haryana and UP, and bio-mass based electricity generation in Bihar and Rajasthan as a pilot project, to reduce diesel dependency.

ii. Project "Green city" with Indus: Green City Project aims at "Going DG Free" whereby DG (Diesel Generator) shall not be used as back up source; instead, newer technology solutions shall be deployed to support network operations. Airtel and Indus Towers have developed various solutions which have proved to be technology breakthroughs in promoting green solutions such as Free Cooling Unit, Inverter Solution and High Power Batteries. These solutions when deployed at sites eventually lead to the complete elimination of DG sets at these sites. In FY 11-12 Indus added five major Green Cities viz., Mumbai, Kolkata, Ahmedabad, Chandigarh and Kota and three towns: Patan, Palanpur and Gandhinagar.

D. Managed Energy Services at switching centres

'Managed Energy Services' with Wipro Eco Energy covering all our facilities in Karnataka, Kerala, Tamil Nadu and Andhra Pradesh is currently being implemented. Under this initiative, we monitor the live energy consumption pattern at the facilities to identify and implement energy-saving measures for targeted consumption reduction.

Additionally a number of other initiatives were launched to reduce energy consumption in lighting and air conditioning. A 25 KW Solar PV system was installed at the Airtel Campus in Gurgaon. 100 KW Solar PV system is being planned for Gangaganj MSC in Lucknow. Major energy initiatives taken at our data centres include - cold

aisle containment in all the data centres to achieve best PUE results, optimized utilization of chiller by changing chiller temperature set point, changing tube lights to LED / CFL lights to achieve reduction in energy consumption and lift synchronization in all data centres.

AFRICA

The energy challenges in Africa arise from the extremely diverse conditions that we operate in. Despite these challenges, we are taking definitive steps towards pro-active adoption of green technologies to increase both energy and cost efficiencies. We have reduced the number of telecom sites running entirely on diesel by over 50%; further, the plan is to ensure that by 2013, no site is solely diesel reliant. Today, more than 60% of the sites are being powered by the Hybrid Battery Bank model, which ensures that for at least 14 hours a day, these sites are diesel-free. We have a target to increase this to 70% next year.

Changing Norms of Corporate Social Responsibility

A. Cyber Security

We regularly provide support to government agencies like CERT.in, IB, NTRO, and NATGRID in dealing with specific threat mitigation like botnet threat to ADSL routers, Rustock and Stuxnet propagation etc; proactive threat mitigation to nation-critical services (attack simulation exercises), raising threat alerts (e.g. +92 attacks), analysis of telecom sector for national intelligence (NATGRID research) and Lawful Interception.

We are also actively working with government agencies in Africa to usher in security best practices and cyber security initiatives at a national level.

B. Certifications

BS 25999: We have invested substantially in business continuity and disaster recovery plans across all our geographies. Last year, we embarked upon a BS 25999 audit and certification program covering all B2C circles, B2B hubs, IT and Network Infrastructure across the Company. This was one of the most complex implementations and certification efforts in business continuity globally. We underwent 169 man days of certification audit which resulted in award of 19 certificates without a single non-conformity. Airtel Sri Lanka carried out a recertification audit and successfully retained their BS 25999 certificate. Award of BS 25999 certification has helped benchmark our business continuity and disaster recovery plans with global standards.

ISO 27001: We carried out a major restructuring of our businesses last year. We successfully aligned our ISO 27001 program to these business changes, which were subsequently incorporated at all locations. This shrunk the number of our certifications from 25 certificates to 19. We underwent 180 man days of re-certification

audit and committed 100 Hrs of Management time during the entire audit, helping us successfully retain all 19 ISO 27001 certificates covering both our lines of business B2B and B2C. Airtel Sri Lanka carried out a re-certification audit and successfully retained their ISO 27001 certificate. Successful ISO 27001 re-certification reiterates our commitment towards providing our customers with a secure and trustworthy brand and products.

C. Minimal use of paper

At Bharti Airtel, we are very sensitive to the sustainability of our environment and are watchful of the impact of all our activities.

Further to minimize the use of paper, duplex printing (i.e. double-sided printing) is the standard setting for all printers & copiers. Moreover there is an access control on printing machines that restricts the misuse of papers. Also, all printers and copiers are installed with "sleep modes"; wherein after a specified period of inactivity, they reduce their energy consumption by powering down without turning off completely.

All break out areas at Airtel Center use ceramic cups; this has drastically brought down the excessive usage of paper cups. Further hand dryers have been installed at all hand wash stations to reduce the use of paper towels. Airtel has also tied up with an NGO to donate old newspapers for re-use and recycling. Airtel has joined hands with Chintan, an NGO, to help achieve a more progressive approach towards Waste Management.

Enhancing e-bill penetration forms a key part of our efforts towards reducing paper consumption. Today over 2.42 Million e-bills are being sent per month. This has significantly contributed towards our "go-green" drive saving 80,000 trees annually. We have also implemented a 'Secure Print' solution - an automated queue-management based secure printing solution which has led to an annualized saving of nearly 8 tonnes of paper.

D. E-Waste Management

We have expanded the scope of e-waste management by including network / field e-waste. During the year we disposed 226K tons of network e-waste through authorized re-cyclers. We comply with the disposal of e-waste as Airtel Africa has adopted primary schools in each of the 17 African countries that it has a presence in, as per applicable WEEE (Waste Electrical and Electronic Equipment) norms.

E. Healthcare

True to our brand essence of "enriching lives", bouquet of healthcare services offered by Airtel seeks to provide best in class services to its customers through innovative use of the mobile technology. Airtel has yet again been the first operator in the country to enter into the m-health domain and launch innovative products to help millions. Airtel's Mediphone service is a doctor on call service that allows Airtel mobile customers to avail quality health advice through their mobile phones - anytime, from anywhere. Airtel seeks to enrich its

customer's lives by driving a change in the consumer outlook towards acute diseases and injuries from curative to preventive. Information on "do-it-yourself at home or first-aid care in times of emergency" is now available to customers through Airtel's alert service.

We have also launched the Ananya initiative to develop, test and scale up innovative solutions to improve the health and development of Bihar's rural families. The services range from maternal care to job advertisements. The focus is to increase knowledge, change attitudes and shape a proactive behavior towards health services.

A healing touch in Ghana

Bharti Airtel has funded the construction of a multi-purpose Clinical Teaching facility and Diagnostic Centre for the School of Medical Sciences, University of Cape Coast, Ghana. The two-storey Diagnostics Centre is going to be equipped with the latest medical facilities and aims to run the most sophisticated diagnostic tests on patients. It is expected to provide the required diagnostic services to people in Central Region of Ghana, and all surrounding communities in the Western region and beyond.

Directors' report

Dear Shareholders,

Your Directors have pleasure in presenting the seventeenth annual report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2012.

OVERVIEW

Bharti Airtel is one of the world's leading providers of telecommunication services with presence in 20 countries including India, Sri Lanka, Bangladesh and 17 countries in the African continent. The Company served an aggregate of 251.65 Mn customers as on March 31, 2012 providing mobile, voice and data solutions using 2G, 3G and 4G technologies. In terms of number of wireless customers, the Company is among the top 5 in the world. The Company provides fixed line voice and data solutions to 3.3 Mn customers in 87 cities in India. The Company also offers an integrated suite of telecom solutions to its enterprise customers, in addition to providing long distance connectivity in India, Africa and rest of the world. The Company also offers Digital TV and IPTV Services in India.

All these services are rendered under a unified brand "airtel" either directly or through subsidiary companies. The Company also deploys, owns and manages passive infrastructure pertaining to telecom operations under its subsidiary Bharti Infratel Limited that owns 42% of Indus Towers Limited. Together, Bharti Infratel and Indus Towers are the largest passive infrastructure service providers in India.

FINANCIAL RESULTS AND RESULTS OF OPERATIONS

In line with the amended statutory guidelines, the Company has adopted IFRS (International Financial Reporting Standards) for consolidation of accounts from the financial year 2010-11 onwards. Consolidated and Standalone financial highlights of the Operations of the company are as follows:

Consolidated Financial Highlights

Particulars	₹ Millions		Y-o-Y Growth
	Financial Year		
	2011-12	2010-11	
Gross revenue	714,508	595,383	20%
EBITDA	237,123	200,718	18%
Cash profit from operations	198,939	178,905	11%
Earnings before taxation	65,183	76,782	-15%
Net profit/(loss)	42,594	60,467	-30%

The Company publishes its standalone accounts as per Indian Generally Accepted Accounting Principles.

Standalone Financial Highlights:

Particulars	₹ Millions		Y-o-Y Growth
	Financial Year		
	2011-12	2010-11	
Gross revenue	416,038	380,177	9%
Cash profit from operations	128,722	133,374	-3%
Earnings before taxation	69,562	87,258	-20%
Net profit/(loss)	57,300	77,169	-26%

LIQUIDITY

The Company generates healthy operational cash flows and maintains sufficient cash and financing arrangements to meet its strategic objectives. It deploys a robust cash management system to

ensure timely servicing of its liquidity obligations. The Company has also been able to arrange for adequate liquidity at an optimized cost to meet its business requirements and has minimized the amount of funds tied-up in the current assets.

As of March 31, 2012, the Company has cash and cash equivalents of ₹ 20,300 Mn and short term investments of ₹ 18,132 Mn. During the year ended March 31, 2012, the Company generated operating free cash flow of ₹ 101,319 Mn. The net debt - EBITDA ratio as on March 31, 2012 was at 2.56 and the net debt - equity ratio was at 1.29. The net debt in USD terms decreased from USD 13,427 Mn as on March 31, 2011 to USD 12,714 Mn as on March 31, 2012.

The Company manages the short-term liquidity to generate optimum returns by deploying surpluses albeit only in the debt and money market instruments including in high rated liquid and income debt fund schemes, fixed maturity plans, bank fixed deposits and other similar instruments.

The Company is comfortable with its present liquidity position and foreseeable liquidity needs. It has adequate facilities in place and robust cash flows to meet liquidity requirements for executing its business plans and meeting with any evolving requirements. The Company also enjoys strong access to capital markets across debt, equity and hybrids.

GENERAL RESERVE

Out of the total profit of ₹ 57,300 Mn on a standalone basis of Bharti Airtel Limited for the financial year ended March 31, 2012, an amount of ₹ 4,300 Mn has been transferred to the General Reserve.

DIVIDEND

The Board recommends a final dividend of ₹ 1 per equity share of ₹ 5 each (20% of face value) for the financial year 2011-12. The total dividend payout inclusive of ₹ 616 Mn as tax on dividend, will amount to ₹ 4,414 Mn. The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

SUBSIDIARY COMPANIES

As on March 31, 2012, the Company has 123 subsidiaries as set out in Page no. 225 of the annual report (for abridged annual report please refer Page no. 73).

Pursuant to the General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet, statement of profit & loss and other documents as set out in section 212(1) of the Companies Act, 1956 in respect of its subsidiary companies for the year ended March 31, 2012.

Annual accounts of these subsidiary companies, along with related information are available for inspection at the Company's registered office and the registered office of the respective subsidiary companies. Copies of the annual accounts of the subsidiary companies will also be made available to Bharti Airtel's investors and subsidiary companies' investors upon request.

The statement pursuant to the above referred circular is annexed as part of the Notes to Consolidated Accounts of the Company on page no. 231 of the annual report (for abridged annual report please refer page no. 77).

ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Board of Directors have decided to circulate the abridged annual report containing salient features of the balance sheet and statement of profit & loss to the shareholders for the financial year 2011-12. Full version of the annual report will be available on Company's website www.airtel.in and will also be made available to investors upon request.

In support of the green initiative of the Ministry of Corporate Affairs, the Company has also decided to send the annual report through email to those shareholders who have registered their email id with their depository participant/Company's registrar & share transfer agent. In case a shareholder wishes to receive a printed copy, he/she may please send a request to the Company, which will send the annual report to the shareholder.

QUALITY

Deeply embedded in Bharti's DNA, operational excellence is pivotal to reinforce competitive advantage through a culture of process enhancements and elimination of non-conformances. Bharti has set a strong culture emphasizing quality based on foundations of constant customer focus, profitability and stability.

The quest for operational excellence is further strengthened by the unique *strategy-to-success* framework, comprising of six inter-related quality initiatives that accelerate process re-engineering through radical process re-design based on customer voice.

All our processes are continually assessed by external consultants leading to Certifications like TL9000, BCP DR (Business Continuity Process & Data Redundancy), ISO 27001, OHSAS (Occupational Health and Safety Advisory Services).

The Company's zest towards operational and business excellence has been recognized through Golden Peacock award for corporate excellence established by the Institute of Directors in 1992 to honour and recognize unique achievements in corporate excellence.

BRANDING

The year 2011-12 was marked by significant achievements on the brand front as *airtel* strengthened its position as a *youth brand*. The Company yet again captured the imagination of the nation with the high impact *Har Friend Zaroori Hai* (HFZ) brand campaign that was launched in August 2011. Apart from positioning *airtel*, the jingle touched the right chord with the customers across demographics and geographies. The brand theme positively impacted the Top of Mind Awareness scores (ToMA) and Brand preference scores. The campaign generated massive online engagement and was later enhanced in January 2012 with 20 new online commercials.

In line with the international brand positioning, Sri Lanka launched an outstanding Sinhala adaptation of *HFZ*, including a flash mob outside Colombo Railway Station. The campaign was also embraced by Bangladesh and built a significant connect with audiences there as well.

The association with Formula One™ for the 2011 *airtel Grand Prix of India* was another first for *airtel*. The *airtel Delhi Half Marathon (ADHM)* 2011 enabled us to further augment our brand position.

Moving towards epitomizing our service superiority, during the year we launched our new service campaigns, signifying our differentiated services – *121#, Instant help 24 x 7 and *My Airtel My Offer* customized offers.

Further at the end of the year, the pan-India launch of *airtel money* with the tag line- '*baat sirf paison ki nahin hai*' – continued airtel's quest to enrich lives of millions.

The various initiatives undertaken this year took brand *airtel* to greater heights and the success is evident from being named *India's most trusted mobile services brand* in the Economic Times Brand Equity 2011 survey. Airtel was also awarded third position in the list of top 100 Indian brands.

In Africa, we have re-positioned the brand *airtel* in line with the global brand strategy, to focus on the youth and to be committed to delivering fresh and exciting products and great customer experience. The first step in bringing this positioning to life has been achieved through the launch of exciting youth campaigns rolled out using local insights. More specifically, in Kenya we have rolled out the *Mi ni 254* campaign, (*I am '254' which is the international dialing code for Kenya*). In Nigeria, we launched *Club 10*; in DRC, *Lobo Nayo Club 10*, in Burkina Faso, *The Airtel Choco*, in Tanzania *Supa 5* campaign, and in Gabon *Ndoss*. All the campaigns were very youth oriented and delivered an exciting youth proposition, built around a strong CUG (Closed User Group) that offered voice, SMS and data value. The key agenda for these campaigns was to drive brand equity among this core target.

In our drive to be the market leader on data in Africa, Airtel Africa has launched 3G in 8 countries within a 9-month period. Airtel 3G's key communication objective was to own the Mobile Internet experience in the minds and hearts of our customers in Africa. Airtel 3G provides our customers with new ways to communicate, access to information, conduct business, learn, be entertained, live and experience different facets of their lives. We are now delivering a superior internet experience like no other in our markets and have gone a step further and introduced an innovative new product - the data recharge voucher, in Nigeria. This is a first in Africa from Airtel.

Airtel Money is the first m-commerce service in many of our markets in Africa. The communication message was simplified as: *Airtel Money: Simple. Secure. Instant*, and this platform was used in our educational drive to ensure customers understood what Airtel Money can do. In addition to this, we have also supported Airtel Money with a strong emotive campaign promise for the more advanced M-Commerce markets in Africa which was : *with Airtel Money, we can help your money do more*. This message is in line with the transformational impact of this product on the daily lives of our consumers.

In partnership with Manchester United, the Company also successfully completed the launch of Airtel Rising Stars (ARS). This is an expansive grassroots initiative for under 17s and is a tangible demonstration of our commitment to empowering the youth in Africa, by providing them with the platform to showcase their skills. Given Africa's strong support of the English Premier League, Airtel has also partnered with Arsenal Football Club to cater to the fans in Nigeria, Ghana, Rwanda, Zambia and Uganda. This second partnership, in addition to our Africa Rising Stars platform, will ensure that Airtel owns football in the minds and hearts of our consumers in Africa.

MAJOR AGREEMENT AND ALLIANCES

The Company has signed the following key agreements/ alliances this year:

- With Nokia Siemens Networks, Huawei and ZTE for TD-LTE (popularly known as 4G) networks in the telecom circles of Maharashtra, Karnataka and Kolkata respectively. This would also enable a seamless data network cover between existing and this new technology.
- With Nokia Siemens Networks, Huawei and Cisco for "Unified Packet Core" in India. This high capacity packet core is access agnostic and caters to 2G, 3G, LTE (4G) customers across the country.
- With Ericsson and Nokia Siemens Networks for the Unified Managed Services contract. This has been awarded to Ericsson in 15 circles and for a part of Bangladesh; and Nokia Siemens Networks in 8 telecom circles. This will ensure seamless operations and maintenance of the mobile networks.
- With Nokia Siemens Network for Mobile Internet Browsing Solution (MIBS) and Multi Media Messaging solutions (MMSC) across all countries in Africa.
- With Alcatel Lucent, Huawei and ZTE for Carrier Ethernet (CEN - Version 2) with capability to handle IP & E1/STM Backhaul in India; with Alcatel Lucent for IP - MPLS core across all countries in Africa
- With HP to launch Cloud Enabled Platform (CLEP).
- Extension of Managed Services contract for CRBT with Comviva and Onmobile to 9 and 7 countries in Africa, respectively. Also, Managed Services contract for VAS nodes with Comviva extended for all countries in Africa.
- With Infosys as the technology partner for m-commerce Platform in India and with Comviva for Africa.
- With Universal Music and OnMobile to launch 'My Song My Story' on Airtel, enabling its customers to listen to live concerts nationally.
- With Voice Tap to launch "Live Customer Counseling" and "NCERT Solution" on Airtel enabling students to get career counseling from experts through IVR and access NCERT study material through WAP.

NEW PRODUCTS/INITIATIVES

During the year, the Company launched various new and innovative products and services, directly and through its subsidiaries, which enabled it to strengthen its leadership in an intensely competitive market. Some of the key launches of the year included:

- 3G footprint expanded to over 1,100 cities in India at end of March 2012 including 7 service areas with ICR arrangements.
- 4G services in Kolkata, based on TD-LTE technology, making India one of the first countries in the world to commercially deploy this cutting-edge technology.
- airtel money (Semi Closed Wallet) launched nationally in February 2012, in over 300 towns across 20,000 retail outlets with an acceptance network across 7,500 merchant establishments.
- CEM (Customer Experience Management), a proactive diagnosis tool that provides a multi-dimensional end-to-end view encompassing network, device, service insights and usage behaviour.
- Prepaid Web launched on a pan India basis wherein customers can now visit www.airtel.in to access their account details including online activation, deactivation of value added services & data plans, and to raise and track service requests.
- SmartByte - 'GB on Demand' Service, where a user gets an option to buy chunks of GBs as per his/her requirement. With this service, any customer whose speed gets throttled beyond FUP (Fair Usage Policy) limit, can buy additional high speed quota on the go and enjoy browsing at a higher speed for a longer time.
- Twitter on USSD, Facebook on USSD, an innovative way of accessing Twitter/Facebook, first time in India, where airtel customers can access their Twitter/Facebook accounts for nominal charges per day even without activating data services.
- Infotainment Portal on *789#, a USSD portal which is a single destination for over 200 types of content across 40 genres.
- MO Sports, an integrated mobile sports entertainment service comprising of WAP, video, voice and MMS on subscription as well as a pay-per-consume basis.
- Comedy FM, first of its kind service innovation that empowers mobile users with the ability to get radio experience on their devices anytime, anywhere, and allows them to choose from variety of comic shows.
- iPhone 4 & iPhone 4S along with bundled data plans.
- EOCN (End of Call Notification) for all our prepaid customers' pan-India. This enables the customer to know the data consumed and balance after every such data usage session.
- Interactive services launched on Digital TV platform including:
 - a) *iExam* - an interactive application focusing on competitive exams, targeting young school/college students
 - b) *iKids* - an interactive channel for kids
 - c) *iKissan* - offering real time access to crop prices, weather information and localized farming advice
 - d) *iDarshan* - enabling customers to enjoy Live Aarti from shrines
 - e) *iDivine & iDD* - mosaic applications designed to save satellite bandwidth wherein the customer sees 4 regional DD and 4 devotional channels respectively in a mosaic format and can further select a channel of his choice basis his language/region preference.
- *Hello Tunes cRBT* launched in 15 African countries which allows the Airtel customer to express his/her identity in different ways.
- *Music on Demand (Airtel Radio)* was launched in 4 African countries and it gives the customer the opportunity to listen to any genre of music that they like any time.
- *Mobile Classifieds*, launched in 5 African countries, allows customers to receive several kinds of ads (car sales, job opportunity, etc) on their mobile.
- *Google SMS*, launched in 4 African countries, allow Airtel customers to keep their chats going by sending texts from their Gmail account to any Airtel customer and receive an instant reply for free.
- *Blackberry Crosby Tiers*, launched in 5 African countries, provides a low priced Blackberry service to our customers compared to the traditional BIS and BES services. This already contributes to 38% of our Blackberry customer base.
- *Airtel Credit Services* were launched in 11 African countries. Airtel customers can easily access airtime, in areas where no airtime

distributors are available or even after working hours when airtime distributors are closed, on credit and pay for it in the next recharge.

- *Call Completion services*, launched in 10 African countries, allow the Airtel customer to know who called you when you are not reachable via SMS (Missed call Alert) or Voicemail. This service also allows the customer to record a voice message, which is delivered via SMS on the specified day and time.
- *DDS (Dynamic Discount Solution)* allows us to discount customer voice rates to increase usage in selective under-utilized sites.
- Implementation of *Easy Recharge* in 6 African countries which reduces paper voucher costs by providing electronic vouchers and widen the distribution network for airtime across Airtel Africa.
- *Roaming Suite products* were implemented in 14 African countries over the last 8 months. These address cross border roaming issues in-roamer retention and welcome SMSes. Smart Call Assistant gives the roaming customer the opportunity to call by using their current phonebook with numbers that are saved in national format. Short code service allows the customers to use their home call center by dialing the home country customer care number.
- 3G footprint expanded to 7 African countries, which has increased data usage, grown customer base as well as data revenue.
- *Mobile health tips* were implemented in 5 African countries and allow the customer through daily, weekly and monthly subscription to get general health tips via SMS.
- *Airtel messaging* allows the Airtel Africa customer to access their emails, social networks and chat services independent of the actual mobile device. Already implemented in 11 African countries.
- Airtel Africa has been granted USD 400,000 by GSMA Development Fund for a 2 year *Mobile Farmer* pilot for Kenya. This product will provide weather, crop and advisory services to the farming community. This is an acquisition play product.

OTHER COMPANY DEVELOPMENTS

- Bharti Airtel has expanded its footprint on the African continent by launching its services in Rwanda taking the total count to 17 countries. The Company is now present in 20 countries across the globe.
- The Company re-organized the India operations into the B2C (Business to Consumer) and B2B (Business to Business) entities to leverage inherent synergies across multiple product lines.

AWARDS & RECOGNITIONS

The Company was conferred with many awards and recognitions during the year. Some of them are listed below:

- Ranked as the No.1 Service Brand and No.3 in the overall rankings in the annual *Brand Equity's Most Trusted Brands Survey*.
- *Telecom Center of Excellence (TCOE) Award* for Service Provider with customer focus for best delivery of Network Services - for the year 2011. Instituted by Telecom Centres of Excellence (TCOE) in association with the Department of Telecommunications (DoT) and other reputed industry bodies including COAI, AUSPI and FICCI, the award is a prestigious accolade.
- 4 awards at the Telecom Operator Awards 2012 - '*Best National*

Mobile Operator', '*Best VAS Provider*', '*Best Enterprise Services Provider*' and '*Best Ad Campaign by an Operator*'.

- Rated as one of the top 5 best employers, by Aon Hewitt's Best Employers in India 2011 study.
- SSON Excellence Award under '*Excellence in Culture Creation*' category for Airtel Center of Excellence-Finance, RA, HR and SCM Shared Services.
- Featured amongst the Top 25 Companies globally in a study by Fortune- AON Hewitt - on '*The Best Companies for Leaders*'.
- airtel Digital TV (HD) recognized as '*Product of the year 2012*', through an independent survey conducted by the research firm, AC Nielsen.
- Voted as India's Best Managed IT Services Brand for Large Enterprises & SMEs by the *PC Quest's annual User's Choice Club Awards 2011*.
- Adjudged as the '*Top Telecom Operator*', '*Top Cellular Operator*' and '*Top NLD Service Provider*' at the *Voice & Data (V&D) 100 Awards 2011*.
- '*Golden Peacock National Quality Award*' for the year 2011.
- DSCI (*Data Security Council of India*) Excellence Award 2011 for Security in Telecom.
- Awarded in '*Customer Experience Enhancement*' and '*Innovative VAS Product*' categories at the *ET Telecom Awards 2011*.
- Adjudged as '*Enterprise Telecom Service Provider of the year*', '*Wholesale Data Service Provider of the year*' and '*Mobile VAS provider of the year*' at the *Frost & Sullivan 2011 Asia Pacific ICT Awards*.
- Adjudged as '*Innovative Broadband Provider*' in the *CMAI Awards 2011*.
- Airtel's mobile commerce product, Airtel Money, was adjudged the '*Best Mobile Money Service*' in Ghana at the Mobile World Ghana Telecoms Awards.
- At the 23rd Enugu International Trade Fair in Nigeria, the Company received three awards for its outstanding performance at the fair and contribution to the development and growth of the economy of the south east region.
- The Company received The Special Jury Award for Corporate Responsibility which was given for the first time as recognition of the tremendous work done by Airtel Africa in the sphere of education for the under-privileged. This award was received during the "*Annual Changemaker Award 2011*" Ceremony in February 2012 in New-Delhi.
- Airtel's music campaign 'One8' was the first runner-up in the MIDEM International Trade Fair Awards in the category of the most innovative and creative music campaign.

CAPITAL MARKET RATINGS

As at March 31, 2012, Bharti Airtel Limited is rated by two domestic rating agencies, viz. CRISIL and ICRA, and two international rating agencies, viz. Fitch Ratings and S&P.

- CRISIL and ICRA have rated the Company at the top end of their rating scales, both for short term (P1+/A1+) as well as long term (AAA/LAAA) with Negative outlook.

- Fitch Ratings maintained its rating at BBB - but moved the outlook to negative. S&P has reaffirmed its rating at BB+ with Stable outlook.

SHARE CAPITAL

During the year, there was no change in the authorised, issued, subscribed and paid-up equity share capital of the Company which stood at ₹ 18,987,650,480 divided into 3,797,530,096 equity shares of ₹ 5 each as at March 31, 2012.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In accordance with the listing agreement requirements, the Management Discussion & Analysis report is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices and have implemented all the stipulations prescribed.

A detailed report on Corporate Governance pursuant to the requirements of clause 49 of the listing agreement forms part of the annual report. However, in terms of the provisions of section 219(1)(b)(iv) of the Act, the abridged annual report has been sent to the members of the Company excluding this report. A certificate from the auditors of the Company, M/s S.R. Batliboi & Associates, Chartered Accountants, Gurgaon confirming compliance of conditions of corporate governance as stipulated under clause 49 is annexed to the report as Annexure A.

SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with the provisions of various corporate laws, the regulations and guidelines issued by the Securities and Exchange Board of India, the listing agreement, the Company has voluntarily started a practice of the secretarial audit from a practicing company secretary.

The Company has appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct secretarial audit of the Company for the financial year ended March 31, 2012, who has submitted their report confirming the compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is provided separately in the annual report. However, in terms of the provisions of section 219(1)(b)(iv) of the Act, the abridged annual report has been sent to the members of the Company excluding this report.

CORPORATE SOCIAL RESPONSIBILITY

At Bharti Airtel, Corporate Social Responsibility (CSR) encompasses much more than social outreach programs and is an integral part of the way the Company conducts its business. Detailed information on the initiatives of the Company towards CSR activities is provided in the Corporate Social Responsibility section of the annual report.

DIRECTORS

Ms. Chua Sock Koong, Mr. Craig Edward Ehrlich, Mr. Nikesh Arora, Mr. Rajan Bharti Mittal and Mr. Rakesh Bharti Mittal retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment.

A brief resume, nature of expertise, details of directorships held in other public limited companies, of the directors proposing re-appointment along with their shareholding in the Company as stipulated under clause 49 of the listing agreement with the stock exchanges is appended as an annexure to the notice of the ensuing annual general meeting. The Board recommends their appointment.

Lord Evan Mervyn Davies has expressed his inability to continue as a director on the Board of the Company from the conclusion of the ensuing annual general meeting. In addition, in line with the Policy of Independent Directors adopted by the Board, H.E. Dr. Salim Ahmed Salim, independent director, has completed his term of office and will step down from the Board from the conclusion of the ensuing annual general meeting. The Board would appoint new directors in their place in due course in compliance with the statutory requirements.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as of the balance sheet date.

AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, retire at the conclusion of the ensuing annual general meeting of the Company and have confirmed their willingness and eligibility for re-appointment and have also confirmed that their re-appointment, if made, will be within the limits under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment for the next term.

AUDITORS' REPORT

The Board has duly examined the Statutory Auditors' report to the accounts, which is self explanatory and clarifications wherever necessary, have been included in the Notes to Accounts section of the annual report.

As regards the comments under paras i(a) and i(b) of the annexure to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets in the Fixed Assets Register and reconciliation of the physical verification results, the Company has strengthened its process for periodic updation of the Fixed Assets Register at frequent intervals and a time bound plan has been put in place to complete the pending updation of the physical verification results in the Fixed Assets Register. Further, the financial impact of the physical verification has been given effect to in the books of accounts.

As regards the comment under para xxi of the annexure to the Independent Auditors' Report to address the issues of fraud by employees and external parties, the Company has taken appropriate steps including issuance of warning letters, termination of service of the errant employees, termination of the contract/agreements with

the external parties, legal action against the external parties involved, blacklisting the contractors, etc. The Company is further strengthening its internal control systems to reduce the probability of occurrence of such events in future.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

For the Company, being a service provider organization, most of the information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended is not applicable. However, the information as applicable has been given in Annexure B to this report.

EMPLOYEES STOCK OPTION PLAN

The Company values its employees and is committed to adopt the best HR practices. The employees of the Company are presently eligible for two ESOP schemes under 2001 and 2005 Employee Stock Option Policy. Besides attracting talent, the Schemes also help in retention of talent and experience.

The ESOP Scheme 2001 is administered through a Trust, whereby the shares held in the Trust are transferred to the employee as and when the concerned employee exercises stock options under the Scheme.

Till March 2010, under ESOP Scheme 2005, the employees were allotted new equity shares upon exercise of stock options. Post April 2010, the Company has started purchasing its equity shares up to the limit approved by the shareholders in the existing Trust and appropriates the same towards the Scheme. Accordingly, under the ESOP Scheme 2005, the Company now acquires shares from the secondary market in the Trust and transfers the same to the respective employees in lieu of allotment of fresh equity shares.

Disclosure in compliance with clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are provided in Annexure C to this report.

A certificate from M/s. S. R. Batliboi & Associates, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company Employee's Stock Option Schemes would be placed before the shareholders at the ensuing annual general meeting and a copy of the same will also be available for inspection at the registered office of the Company.

PARTICULARS OF EMPLOYEES

The information as are required to be provided in terms of section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 have been set out in Annexure D to this report. In terms of the provisions of section 219(1)(b)(iv) of the Act, the abridged annual report that has been sent to the members of the Company does not contain this annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors to the best of their knowledge and belief confirm that:

- I. The applicable accounting standards have been followed along with proper explanation relating to material departures, in the preparation of the annual accounts for the year ended March 31, 2012;
- II. They have selected and applied consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- III. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. They have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 17 countries in Africa, the Company's bankers and business associates, for the assistance, co-operation and encouragement they extended to the Company and also to the employees for their continuing support and unstinting efforts in ensuring an excellent all round operational performance. The directors would like to thank various partners viz. Bharti Telecom, Singapore Telecommunications Ltd., and other shareholders for their support and contribution. We look forward to their continued support in the future.

For and on behalf of the Board

Sunil Bharti Mittal
Chairman and Managing Director

Date: May 2, 2012
Place: New Delhi

Annexure A

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Bharti Airtel Limited

We have examined the compliance of conditions of corporate governance by Bharti Airtel Limited ("the Company"), for the year ended March 31, 2012, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

For S.R. BATLIBOI & ASSOCIATES
Firm Registration No: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 2, 2012

Annexure B

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

Conservation of Energy and Technology Absorption

The information in Part A and B pertaining to conservation of energy and technology absorption are not applicable to Bharti Airtel, being a telecommunication services provider. However, the Company requires energy for its operations and every endeavor has been made to ensure the optimum use of energy, avoid wastage and conserve energy as far as possible.

The Company continuously evaluates global innovation and technology as a benchmark and whenever required, enters into arrangements to avail of the latest technology trends and practices.

Foreign Exchange Earning and Outgo

Activities relating to export; initiatives taken to increase exports; development of new export markets for products and services; and export plans

International Long Distance Business

The Company has a global footprint with services in 26 countries with 13 point of presence (PoPs) and continues to focus on emerging market. The infrastructure establishes a seamless connectivity to Africa, Europe and the USA by offering at least three cables on every route, thereby providing unparalleled diversity and resilience. The Company has seen growth in its long distance voice business and believes that its presence and operations in developing markets especially Asia and Africa will further strengthen its position by increasing share of global traffic.

Telecom Services in other countries

Bharti Airtel Lanka (Private) Limited is Sri Lanka's fastest growing wireless service provider. It expanded its footprint by starting commercial operations in the East and North of the country. Airtel at Sri Lanka ended the financial year with 1.6 Mn customers. The

Company continues to gain in both incremental customer market share and revenue market share through aggressive marketing and strong distribution network.

Airtel Bangladesh Limited continues to grow with currently over 5.2 Mn customers. The Company has 124 distributors and over 81,000 retailers across the country. In the six operator competitive market, the Company's immediate focus is to ensure faster quality network rollout across the country and build a strong dynamic brand. As at March 2012, Airtel Bangladesh Limited reached population coverage of ~65%. During the year, the Company successfully switched its network to the new EGSM frequency band thereby putting an end to the network interference issues experienced in the past.

Airtel Africa continues to grow with the revenue earning customer base for the year at 53.1 Mn; the Company crossed the 50 Mn mark in December 2011. Nigeria, which is the largest market, contributes 28% of the revenue earning customer base while the Francophone and Anglophone regions contribute 31% and 41% respectively. Network rollout continued aggressively with the total number of sites ending at 14,831 at the end of March 2012.

The Company successfully acquired a license in Rwanda and the brand Airtel was officially launched on the March 30, 2012 in Rwanda, making it the 17th country under Airtel Africa.

In terms of retailers, the Company ended with 1.1 Mn retailers across the countries. The zonal structure has been deployed across all countries, with Africa having a total of 106 zones.

We continue to remain focused on our key strategic initiatives of growing non – voice revenues through 3G, SMB, Youth and Airtel Money, driving deeper distribution, best 2G and 3G network quality, focus on platinum cities and customers among others.

The Company continues to gain revenue market share and customer market share across Africa due to its key strategic initiatives and strong distribution network.

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earning ₹ 20,122 Mn
- (b) Total Foreign Exchange Outgo ₹ 35,232 Mn

Annexure C

INFORMATION REGARDING THE EMPLOYEES STOCK OPTION SCHEMES AS ON MARCH 31, 2012

Sl.No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	25,804,379*	40,467,578**
2)	Pricing Formula	Exercise Price not less than the par value of the equity share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 on Grant Date.	29,015,686 @ 11.25 1,760,000 @ 0.45 4,380,000 @ 35.00 142,530 @ 0.00 5,104,362 @ 5.00 40,000 @ 60.00 25,000 @ 110.50
3)	Options vested	20,063,495	38,779,932
4)	Number of options exercised	4,226,026	29,887,617
5)	Number of shares arising as a result of exercise of option during the financial year 2011-12	Nil	Nil
6)	Number of options lapsed	10,113,352	9,135,450
7)	Money realized by exercise of options	₹ 555,351,837	₹ 387,917,655
8)	Total number of options in force	11,465,001	1,444,511
9)	Options granted to Senior managerial personnel during the financial year 2011-12:		
	• Dr. Jai Menon	2,09,000	75,000
	• Mr. Mario Pereira	Nil	20,000
	• Mr. Bharat Bambawale	Nil	15,000
	• Mr. Harjeet Kohli	1,900	Nil
	• Mr. Jagbir Singh	19,460	45,000
	• Mr. Mukesh Bhavnani	19,380	45,000
	• Mr. S. Balasubramanian	1,400	Nil
	• Mr. Vineet Taneja	13,200	Nil
	• Mrs. Deepa Dey	1,500	Nil
	• Mr. Ravi Kaushal	2,000	Nil
10)	Diluted earning per share (EPS) as per AS 20	N.A.	N.A.
11)	Difference between the employees compensation cost based on intrinsic value of the Stock and the fair value for the year and its impact on profits and on EPS of the Company.	N.A.	N.A.
12)	a) Weighted average exercise price	₹ 224.86	a) ₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5
	b) Weighted average fair price	₹ 180.10	b) NA; NA; NA; ₹ 69.70; ₹ 262.73; ₹ 84.43; ₹ 357.63
13)	Method and significant assumptions used to estimate the fair values of options.	Black Scholes/Lattice Valuation Model/Monte Carlo Simulation	
	(i) risk free interest rate	i) 7.76% p.a. to 8.63% p.a. (The Government Securities curve yields are considered as on valuation date)	
	(ii) expected life	ii) 48 to 60 months	
	(iii) expected volatility	iii) 41.07% to 42.09% (assuming 250 trading days to annualize)	
	(iv) expected dividends	iv) 20% (Dividend yield of 0.28%)	
	(v) market price of the underlying share on grant date	v) ₹ 361.83 to ₹ 424.11 per equity share	

Notes:

* Granted 7,069,827 options out of the options lapsed over a period of time.

** Granted 8,787,578 options out of the options lapsed over a period of time.

- The options granted to the senior managerial personnel under both the schemes are subject to the adjustments as per the terms of respective performance share plan.
- There is no variation in the terms of options during the year.
- No employee was granted stock options exceeding 5% of the total grants or exceeding 1% of the issued capital during the year.

Management discussion & analysis

ECONOMIC OVERVIEW

As per the World Economic Outlook published by the International Monetary Fund (IMF) in April 2012, the world economy grew by 3.9% in 2011, led by 6.2% growth in emerging and developing economies. Global growth in 2012 has been projected lower at 3.5% mainly on account of the sovereign and banking sector developments in the euro area. Real GDP growth in the emerging and developing economies is projected to slow down to 5.7%, but then to re-accelerate to 6.0% in 2013.

The IMF has projected India's GDP growth to slow down to 6.9% in 2012, due to a cyclical response to higher interest rates and lower external demand. Policy uncertainty and supply bottlenecks are playing a role and these will need to be tackled in the near term to ensure that India's potential growth does not decline.

Sub-Saharan Africa is expected to sustain growth at 5.3%, helped by accommodative policy stances, high commodity prices and reduced exposure to Europe. Nigeria in particular is projected to sustain growth at 7.1% in 2012.

With the maturing of emerging nations, financial power and consumption is increasingly shifting from *the developed to the developing – from aging industrial nations to emerging powers in Asia, Africa and Latin America*. These economies are morphing from being the world's back office to nerve centre of activity. In China and India alone, about two billion new middle income consumers are expected to join the consumer base in the next 20 years.

Over a longer term horizon, Africa and developing Asia have been forecasted to be the fastest growing regions with 7.0% and 5.4% annual real GDP growth rates respectively between 2010 and 2050. The economic growth prospects in these geographies clearly compliment the Company's strategy of offering telecom services in 20 countries across South Asia and Africa.

TELECOM SECTOR DEVELOPMENTS

India & South Asia

Financial year 2012 saw the continuance of healthy customer growth for the Indian telecom market which witnessed a 12.4% increase in its customer base during the 12-month period. The total telecom customer base in India stood at 951.3 Mn, second only to China, with a tele-density of 78.7% as at end of March 2012.

While wireline customers continue to de grow, the growth of the telecom sector was driven by the wireless segment. The wireless customer base crossed the 900 Mn mark with 919 Mn customers as at end of March 2012. This segment grew by 13% during the year, contributing to nearly 97% of the total telecom customer base. The telecom rural penetration at 39.2% at end of March 2012 offers huge growth potential in terms of both customers and usage.

The uptake of broadband services has been abysmally low with nearly 13.8 Mn broadband customers as at end of March 2012 representing a broadband penetration of just over 1% offering a huge growth potential.

The Indian telecom industry witnessed the maiden launch of 4G services in Kolkata in April 2012 by *airtel*, based on TD-LTE, making India one of the first few countries in the world to commercially deploy

this technology. The country is witnessing growing demand for *data* products & services, with the increasing penetration of edge enabled and 3G devices. The rollout of the wireless broadband using TD-LTE coupled with the expansion of 3G services is likely to provide an impetus to the broadband penetration, which is being increasingly seen as an integral driver of improved socio-economic performance. This will trigger the next phase of growth of the telecom industry. New innovative applications, enhanced user experience and decreasing price of 3G & LTE enabled handsets would be the key drivers of the adoption of data services in India.

Given the huge growth potential offered by the telecom industry through increased coverage and newer products & services, competition will remain intense with both existing and new players attempting to maximize their share of the growing telecom pie.

Africa

The year 2012 continued to experience growth in African telecom market, especially in the 17 countries that the Company operates in. The total customer base grew 20% over the 12-month period, to 53.1 Mn as at end of March 2012.

The competitive intensity in each of the 17 countries varies from 2 to 10 players. Only 8 countries (Nigeria, Zambia, Tanzania, Gabon, Congo B, Ghana, Kenya and Seychelles) have crossed the 50% SIM penetration mark. Further, real penetration is estimated at 32%. The Sub-Saharan Africa region continues to nurture excellent growth potential for telecom.

The next growth frontiers of Africa are innovation through 3G and Data, SMB cloud, content, entertainment, messaging and M-Commerce.

DEVELOPMENTS IN REGULATIONS

India & South Asia

Telecom sector is one of the highly regulated sectors in India. Besides Department of Telecom (DoT), Telecom Regulatory Authority of India (TRAI) is the nodal authority, which regulates telecom services in India. During the previous year, the key regulatory developments were as follows:

- **Recommendations on Telecom Infrastructure Policy**

TRAI submitted its recommendation on Telecom Infrastructure on April 13, 2011, as per which Telecom infrastructure should be treated as an essential infrastructure and DoT should bring the IP-1 under Unified License.

- **Licence Amendment for Network Security**

On May 31, 2011, DoT made the License amendment and issued the network security guidelines wherein the telecom operators would be responsible for security of their network. Under the amendment, the service providers will be required to create facilities for monitoring intrusions/attacks/frauds within 12 months and report the same to licensor.

- **Procedure for Activation of VAS Services**

On July 4, 2011, TRAI released direction on procedure for activation of VAS services mandating telecom operators to obtain third Consent through SMS within 24 hrs from customer before charging the VAS otherwise the VAS has to be deactivated.

- **Telecom Consumer Complaint Redressal & Consumer Protection**

On January 5, 2012, TRAI released “*The Telecom Consumers Complaint Redressal Regulations, 2012*” by repealing the earlier “*The Telecom Consumers Protection and Redressal of Grievances Regulations, 2007*”. On January 6, 2012, TRAI released “*The Telecom Consumers Protection Regulations, 2012*” as per which the vouchers offered by the telecom service providers have been simplified and standardized into 3 categories – Plan Voucher, Top-Up Voucher and Special Tariff Voucher (STV). It also mandates the telecom service provider to inform the prepaid consumer through SMS or USSD, about the deduction from his account – after every call made or after every data usage session.

- **Green Telecom**

DoT in January 2012 has accepted some recommendations of TRAI on ‘*Green Telecom*’ dated April 12, 2011. These recommendations specify targets for minimum percentage of rural and urban towers to be powered by hybrid power (Renewable Energy Technologies (RET) + Grid power) by year 2015 and 2020. It also includes self declaration of the carbon footprint by the service providers of their network operations along with carbon emission reduction targets. These recommendations also require service providers to formulate a ‘Carbon Credit Policy’ in line with carbon credit norms.

- **Spectrum Management & Licensing Framework**

On February 15, 2012, DoT announced the Spectrum Management & Licensing Framework, as per which, all future licenses will be Unified Licenses and allocation of spectrum will be delinked from the license. Uniform license fees @ 8% for all telecom licenses and service areas will be made applicable in two yearly steps starting from 2012-13. It also allows for merger up to 35% market share of the resultant entity with requirement of TRAI recommendations for mergers beyond 35% market share, without breaching of 25% cap on GSM spectrum/10 MHz for CDMA spectrum holding.

- **Recommendations on “Unified Licensing”**

On April 16, 2012, TRAI released its recommendations on guidelines to Unified license suggesting a onetime non-refundable Entry Fee for Unified Licence. It also suggests including IP-1 under Unified Licence.

- **Recommendations on ‘Auction of Spectrum’**

On April 23, 2012, TRAI submitted its recommendation on auction of spectrum specifying the reserve price for various spectrum bands along with suggestion on the auction process, spectrum re-farming and spectrum usage charge amongst others.

The Company along with other telecom players have made various representations to the Ministry and the DoT highlighting the adverse impact of these recommendations, particularly with reference to spectrum re-farming and the reserve prices, on the consumers, telecom industry and the nation as a whole. These recommendations, if accepted, will have a direct bearing of the profitability of the Indian Telecom industry by way of increased opex and capex.

Africa

- **3G Licences**

The Company has successfully obtained a 3G licence in Burkina Faso; With this, the Company has 3G licences in 12 Countries. In DRC, the licence fee has been set and the Company is representing for the finalization of the terms and conditions of the licence. The Company is making efforts to obtain 3G licences in the remaining 5 countries of operation.

- **LTE**

In Kenya the Government called for submissions of interest in the proposed future LTE license consortium. The Company has submitted its proposal and awaits further response from the Government.

- **Revision in Interconnect Rates (IUC)**

During the year, the Company saw some developments with regards to interconnect rates as follows:

- Nigeria: the regulator has initiated a review of Interconnect Rates and issued a notice to the industry with a request to operators to provide submissions on their views on the matter. The Company has made its submissions to the regulator.
- Uganda: following the study carried out by PWC, UK, the regulator announced the new reference interconnect rate effective from May 1, 2012.
- Gabon: the regulator has directed interconnect tariffs for 2012 introducing an asymmetric tariff structure which negatively impacts a market leader such as Airtel. The Company is representing for this to be reconsidered.

- **Quality of Service (QoS)**

The regulators across Africa are increasingly becoming stringent on the quality of service parameters. Most notable has been the pressure from regulators in the countries of Nigeria, Gabon, Burkina Faso and Chad. The Company has rolled out stringent QoS checklist across all countries to address this.

OPPORTUNITIES AND THREATS

Opportunities

Untapped Landscape

Indian telecom market holds large untapped potential in the rural areas. With majority of the population yet to get access to telecommunication and rural tele-density still at under 40%, there is significant growth potential for the sector. Urban areas present potential by way of consumption led growth of the voice and data services while rural areas offers opportunity by way of volume led growth in voice and data space.

Similarly in Africa, there is huge opportunity yet to be leveraged as most of our countries of operations still have low telecom penetration levels. The Company aims to fully exploit this opportunity and drive deeper penetration, especially in the rural areas. Deeper distribution, low denominations recharge vouchers and ultra-low cost handsets are some of the initiatives being taken by the Company to address it.

New Technologies and Paradigms

With the launch of 3G and 4G services, the telecom sector is poised to take a giant leap in life enriching services delivered through better technology and service delivery. Further new technologies will extend the reach of telecommunication services and will offer new platforms for development of new businesses. A larger share of rural customers will experience internet for the first time due to internet access through mobile phones, heralding a new era in India's internet revolution.

Powered by higher browsing speeds through technologies such as 3G and 4G, the Value Added Services (VAS) continues to be an area of growth. New services such as music download, mobile TV, MMS, video calling, video streaming and availability of relatively inexpensive feature rich phones are building the foundation of a content rich customer experience on mobile phones. With the backdrop of these changes, it is expected

that VAS other than SMS would become a dominant contributor to *non voice* revenues. The Company is focused on leveraging the data growth potential by way of enhancing data adoption and consumption along with building data capabilities.

The Indian subcontinent and Africa both have a very high proportion of unbanked population, thus providing mobile platform a big opening to drive financial inclusion agenda leveraging the convenience and cost benefits for conducting financial transactions through mobile devices. The Company is leveraging this opportunity through expansion of *airtel money*. It has entered into a partnership with *Axis Bank* for extending banking and payment services to India's unbanked millions through the ubiquitous mobile platform. In Africa, *airtel money* has already been launched in 8 countries namely Zambia, Tanzania, Ghana, Malawi, Kenya, Uganda, DRC and Gabon. The Company plans to expand this service in the remaining countries of its operations in Africa this year.

With technologies like cloud computing and grid computing gaining momentum, the Indian Data Centre Services are on the rise and is emerging as a long term growth opportunity. Also cloud based services such as Software as a Service (SaaS), Platform as a Service (PaaS) offer new opportunities for small and medium businesses.

The growing demand of digital content, especially High Definition (HD) content, will further accelerate growth of the digital TV services. Digital Media Exchange (DMX), coupled with Teleport Services, will get content aggregation capabilities to the market, thereby opening new avenues for a telecom service provider in digital signage and digital cinema content delivery domains.

Strong Strategic Partnerships

Forming enduring partnerships of strategic importance successfully is an intrinsic part of Bharti Airtel's DNA. The Company's strategic alliance with SingTel has enabled it to continuously enhance and expand its telecommunication network in India.

The Company had outsourced the key areas of IT & Network to its strategic partners. IBM is the strategic partner for all business and enterprise IT systems. On the network side, Ericsson, Nokia Siemens, Huawei and Alcatel Lucent are its strategic partners.

To roll out 4G, the Company has tied up with ZTE, Nokia Siemens Network and Huawei for design and implementation. Ericsson, Nokia Siemens Networks and Huawei are building network to deploy 3G Services in India.

The Company has appointed Infosys as its technology partner for the launch of *airtel money*. Partners like Juniper, ECI, Tellabs, and Wipro provide various equipments for telemedia and long distance services to the Company. IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis, HGSL are associated as call centre partners and provide superlative experience to Company's customers.

In addition, the Company works with several globally renowned organizations like OnMobile, Comviva, Yahoo and Google among others to better its customers' VAS experience with caller ring back tones, music on demand, e-mail services and other *airtel live* applications etc.

These strategic partners have been an integral part of Bharti Airtel's achievements over the years.

Threats

Regulatory & Economic Environment

Financial year 2011-12 experienced uncertain regulatory environment with 2G license allotment taking center stage as a political agenda in India. The new recommendations on spectrum pricing and auction and licenses have been shared by TRAI this year. These recommendations if accepted by the Department of Telecommunications will have a significant negative bearing on the long term growth prospects of the telecom industry along with a setback to government's social inclusion agenda by way of the national broadband plan. The industry looks forward to reasonable spectrum reserve pricing policy from the authorities in the light of the government's own articulated policy directions on affordability and rural penetration.

In Africa also, there is growing consensus amongst the governments and the regulator for laying stringent norms and requirements for coverage and quality of service along with increasing taxes and levies on the telecom industry.

Moreover, growing inflation and currency devaluation is increasingly becoming a key threat to business profitability in Africa. The Company is proactively managing this threat through close monitoring of the exchange and inflation rates and taking appropriate hedging actions.

Hyper Competition

The competitive dynamics in the wireless segment of the Indian telecom market continues to remain intense by way of aggressive trade participation by all new and existing telecom players leading to growing *use and throw* phenomenon in the market space. The increased competition is also witnessed in direct to home and enterprise services businesses, with the growing number of service providers for these services. Bharti Airtel, with significantly large and diverse customer base; integrated suite of products and services; pan India operations; and a very strong *airtel* brand is best positioned to emerge stronger from the market environment and will retain its leadership position in the market.

In Africa also, increased aggression from the existing players poses a challenge and the Company in turn is countering this risk through its innovative products and superior services.

REVIEW OF OPERATIONS

Bharti Airtel put up a healthy performance in the financial year 2011-12. The Company expanded its operations to 20 countries across the globe with the launch of mobile services in Rwanda in Africa.

As on March 31, 2012, the Company had an aggregate of 251.6 Mn customers consisting of 241.1 Mn Mobile, 3.3 Mn Telemedia and 7.2 Mn Digital TV customers. Its total customer base as on March 31, 2012 increased by 14% compared to the customer base as on March 31, 2011.

During the full year ended March 31, 2012, the Company recorded revenues of ₹ 714,508 Mn, a growth of 20% compared to the previous financial year 2010-11. The Company had an EBITDA of ₹ 237,123 Mn witnessing a growth of 18% year on year. The EBITDA margin for the financial year ended March 31, 2012 was 33.2%.

The Company reported a net income of ₹ 42,594 Mn for the full year ended March 31, 2012, with a Y-o-Y decline of 30% due to increase in net interest outgo (₹ 16,373 Mn), increase in amortization of the India 3G spectrum cost (₹ 5,925 Mn) and tax provisions (₹ 4,812 Mn).

FINANCIAL PERFORMANCE

₹ Millions

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross revenue	714,508	595,383	20%
EBITDA	237,123	200,718	18%
Earnings before taxation	65,183	76,782	-15%
Net income	42,594	60,467	-30%
Gross assets	1,696,779	1,503,473	13%
Capital expenditure	143,978	306,948	-53%
Capital productivity	42.1%	39.6%	2.5%

KEY ACCOUNTING CHANGES

Consequent to notification of the revised Schedule VI to the Companies Act, 1956, the standalone financial statements of the Company for the year ended March 31, 2012 have been prepared and presented in accordance with the revised Schedule VI. This does not have any impact on the recognition and measurement principles followed for the preparation of the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Accordingly, the previous year figures have also been reclassified.

During the year, the Company has made changes to segment reporting keeping in the view need of enhanced disclosure of certain business and alignment with internal reporting. Consequently, the following changes have been made in segment reporting with previous year figures having been reclassified. The revised reporting segments are as mentioned below:

Mobile Services India and South Asia (SA): These services cover voice and data telecom services provided through GSM technology in the geographies of India and South Asia (SA). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Mobile Services Africa: These services cover provision of voice and data telecom services offered to retail customers in the Africa Continent. This also includes corporate headquarter costs of the Company's Africa operations which were earlier reported as part of 'Others' segment.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

Digital TV Services (formerly known as 'DTH Services'): Since the start of commercial operations in October 2008, 'Direct-to-home' DTH business has been making significant inroads into the overall business performance of the Company. Accordingly, the Company has decided to report its performance as a separate segment, earlier reported as part of 'Others' segment. This includes digital broadcasting services provided under the Direct-to-home platform.

Airtel Business (formerly known as 'Enterprise Services'): These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Passive Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers.

Others: These comprise administrative and support services provided to other segments.

SEGMENT - WISE PERFORMANCE

A. India & South Asia

During the year gone by, the Company restructured the organization creating two distinct Customer Business Units (CBU) with clear focus on the B2C (Business to Customer) and B2B (Business to Business) segments. The B2C organization consists of *Consumer Business* and *Market Operations*, comprehensively servicing the retail consumers, homes and small offices by combining the erstwhile business units – *Mobile*, *Telemedia* and *Digital TV*. The *Consumer Business* group leads the overall B2C strategy and owns the product and services P&L, focusing on customer experience, product and service innovation. The *Market Operations* group leads the 'go-to-market' strategy and is responsible for the geography P&L. The B2B business unit focuses on serving large corporates and carriers through Bharti Airtel's wide portfolio of telecommunication solutions in India & overseas.

A.1 B2C Services

The Company offers mobile services using GSM technology in South East Asia across India, Sri Lanka and Bangladesh, serving over 188 Mn customers in these geographies as at end of March 31, 2012

A.1.1 Mobile Services

A1.1.1 India

In India, the Company had 181.3 Mn mobile customers as on March 31, 2012, which makes it the largest wireless operator in India both in terms of customers and revenues. The Company offers post-paid, pre-paid, roaming, internet, m-commerce and other value added services through our extensive sales and distribution network covering over 1.5 Mn outlets. It has its network presence in 5,118 census towns and 454,302 non-census towns and villages in India covering approximately 86.4% of the country's population.

Driven by the need for continued financial sustenance of the Industry, the Company took a pioneering step to raise the tariffs on both 'per min' and 'per sec' plans; from 50 p/min to 60 p/min and from 1 p/sec to 1.2 p/sec respectively for local and STD calls to mobile and from 60 p/min to 90 p/min and from 1.2 p/sec to 1.5 p/sec for calls to landline; putting an end to an era of declining tariffs since the inception of the wireless industry in 1995.

The Company expanded its 3G services to over 1,100 towns covering all 20 service areas in India (excluding Punjab & Orissa) including intra circle roaming arrangements with other mobile operators. The Company offers a host of innovative services within the 3G portfolio to our customers like Mobile TV entertainment, video calls, live streaming of videos, high definition gaming along with access to high speed internet. The Company had over 35 Mn mobile internet users as at end of March 31, 2012.

There is concerted focus by the Company on enhancing the *data adoption* by engaging customers on mobile internet through low priced 2G plans and then encouraging them to switch to high speed 3G *data* services. To bridge the *data* price differential between the 3G *Packs* rate and the *Volume Based Charging* (VBC), the Company lowered the VBC rates in a tiered structure and introduced *Bill Shield* on all postpaid plans. The Company is also expanding its device partnership for both 2G and 3G data services.

The Company recently launched 4G services in Kolkata, followed by Bengaluru, based on TD-LTE technology, offering a wide range of services to our customers including rich content, superfast access

to High Definition (HD) video streaming, multiple chatting and instant uploading of photos.

A1.1.2 Sri Lanka

Airtel Sri Lanka had 1.6 Mn customers at end of Financial year 2012 with presence in all 25 administrative districts of Sri Lanka. The Company offers 3.5G services in major towns and has created a nationwide distribution network comprising of over 46,000 retailers.

A1.1.3 Bangladesh

Airtel Bangladesh had 5.2 Mn customers as at end of Financial year 2012 with presence across 64 districts of Bangladesh with a distribution network of over 81,000 retailers across the country. The burgeoning economy of Bangladesh coupled with growing population coverage of nearly 65% and a strong youth base presents a unique market opportunity for telecom services in the Country.

During the year gone by, the Company successfully switched its network to the new E-GSM frequency band (from 880-885 Mhz band to 885- 890 Mhz band) thereby addressing the interference issues being faced in the past. With the improved network quality, growing network coverage and brand preference, the Company is witnessing growing uptake of its mobile services.

Revenues from Mobile Services – India & South Asia for the financial year ended March 31, 2012 were ₹ 403,091 Mn and represented a year on year growth of 11%. The growth in revenues was driven by the growing minutes consumption supported with the increase in the base line tariffs despite stiff competition. Growing operating expenses on account of increase in network expenses and selling & distribution expenses along with the amortization of 3G spectrum cost resulted in the decline in EBIT on a Y-o-Y basis.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	188.0	167.7	12%
Gross revenues (₹ Mn)	403,091	363,400	11%
EBIT (₹ Mn)	82,244	85,551	-4%

A.1.2 Telemedia Services

The Company provides broadband (DSL), data and telephone services (fixed line) in 87 cities with growing focus on various data solutions (Internet Lease Lines and MPLS) for the Small & Medium Business (SMB) segment. It had 3.3 Mn customers as at March 31, 2012 of which 1.4 Mn subscribed to its broadband/internet services.

The Company ended the year with non-voice revenues contributing over 50% of the total revenues. During the fiscal 2011-12, the Company launched *online sales* as a channel for DSL acquisition and has also doubled the speeds to a minimum speed of 2 Mbps for all its customers in the top 14 cities and to 1 Mbps in the balance cities with an objective of enhancing customer experience.

Revenues from Telemedia Services – India & South Asia for the financial year ended March 31, 2012 were ₹ 37,271 Mn and represented a year on year growth of 3%. During the year gone by, the Company migrated to an integrated business support stack – Fx (Single window interface for accessing end-to-end customer information) system. There had been few initial adoption challenges that impacted

customer acquisition and bad debts leading to moderated growth in revenues and drop in EBIT.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	3.3	3.3	-1%
Gross Revenues (₹ Mn)	37,271	36,324	3%
EBIT (₹ Mn)	7,149	8,334	-14%

A.1.3 Digital TV Services

The Company served a customer base of 7.2 Mn on its Direct-To-Home (DTH) platform at end of March 31, 2012 adding 1.6 Mn customers during the year, despite stiff competition and aggressive pricing pressure.

The Company also offers High Definition (HD) Set Top Boxes and Digital TV Recorders with 3D capabilities delivering superior customer experience. The Company currently offers a total of 310 channels including 14 HD channels and 7 interactive services. Airtel is 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. The Company continues to expand the distribution, going beyond 9,000 towns and deep into rural India.

During the year, the Company moved from a 2-day grace period to a 0 grace concept primarily to keep a check on suspension. Additionally, with an objective to address the issue of rotational churn and the corresponding cash loss due to subsidized set top boxes, the Company reduced Free Preview Period. While this initiative impacted the gross additions for the industry per say, it enabled the Company to stabilize churn over the last 3 quarters in financial year 2012.

Revenues from Digital TV services for the financial year ended March 31, 2012 were ₹ 12,960 Mn and represented a year on year growth of 67%. This was the first full year of positive EBITDA for Digital TV services. The growing customer base and increase in churn has resulted in the increase in EBIT losses from ₹ 5,181 Mn in Financial year 2011 to ₹ 7,198 Mn in Financial year 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	7.2	5.7	28%
Gross Revenues (₹ Mn)	12,960	7,760	67%
EBIT (₹ Mn)	(7,198)	(5,181)	-39%

A.2 B2B Services

Airtel Enterprise Services recently changed its identity to **airtel business**. airtel business offers wide portfolio of services that include voice, data, network integration, data center & managed services, enterprise mobile applications and digital media. Airtel business is India's leading and most trusted provider of communication and ICT services to large Enterprise, Government, Small & Medium businesses and carrier customers.

Airtel business offers network infrastructure, integration & management with a combination of cutting edge global network infrastructure,

technical skills and world-class services through a consultative approach. The Company's portfolio of MPLS and IP services helps its customers in keeping mission critical applications running and in managing the flow of information across the globe. The Company's data center and managed services include entire suite of managed hosting, storage, business continuity, data security & cloud services. Airtel business also offers digital media services, a centralized online media management and distribution platform akin to a media exchange linking all the content owners, production facilities and screens enabling them to store, forward, share & trade multi versions of produced content to multiple platforms across the globe.

The Company's global services for both voice and data, with strategically located submarine cable systems across the world and satellite connectivity in hard to reach areas, provide its customers connectivity from anywhere to everywhere in the world. airtel businesses 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 investments in new cable systems such as Asia America Gateway (AAG), India Middle East & Western Europe (IMEWE), Unity, ELG (Europe India Gateway) and East Africa Submarine System (EASSy) expanding its global network to over 225,000 Rkms, covering 50 countries across 5 Continents. The Company also has terrestrial express connectivity to neighboring countries including Nepal, Pakistan, Bhutan and China.

Airtel business witnessed an 11% growth in the international voice traffic to 13.7 billion minutes in Financial year 2012 mainly contributed by ILD incoming and Transit minutes. During the year gone by, airtel business started its first ever SCCP (Signaling Connection Control Protocol) traffic services with an international carrier (Bhutan Telecom).

Revenues from Enterprise Services for the financial year ended March 31, 2012 were ₹ 44,541 Mn and represented a year on year growth of 7% on account of increased data revenue from new accounts and geographies. Growing competition and realization pressure in the corporate voice and data segments coupled with timing gap in collection of account receivables towards the end of the financial year resulted in the decline in EBIT from ₹ 5,546 Mn in FY11 to ₹ 2,629 Mn in financial year 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross Revenues (₹ Mn)	44,541	41,463	7%
EBIT (₹ Mn)	2,629	5,546	-53%

A.3 Passive Infrastructure Services

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on non-discriminatory basis to all telecom operators in India.

Bharti Infratel deploys, owns and manages telecom towers and communications structures in 11 circles of India and 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 had 33,326 towers in 11 circles as at end of March 31, 2012, excluding the 35,252 towers in 11 circles for which the right of

use has been assigned to Indus with effect from January 01, 2009. Indus Towers had a portfolio of 109,114 towers including the towers under right of use.

Revenues for Passive Infrastructure for the Financial Year ended March 31, 2012 were ₹ 95,109 Mn and represented a year on year growth of 11% supported with increase in number of towers and growing tenancies. EBIT grew by 25% year on year to ₹ 14,641 Mn for the year ended March 31, 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross Revenues (₹ Mn)	95,109	85,555	11%
EBIT (₹ Mn)	14,641	11,688	25%

B. Africa

In 2010-11, the Company took over operations in 16 countries in Africa: Nigeria, Burkina Faso, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Ghana, Kenya, Malawi, Seychelles, Sierra Leone, Tanzania, Uganda and Zambia. In 2011-12, the Company expanded its footprint through a greenfield launch in Rwanda. With operations in 17 countries, the airtel brand has already become a household name in Sub-Saharan Africa. As at March 31, 2012, our subscriber base in Africa had grown to 53.1 Mn, making Airtel the second largest amongst all telecom operators in Africa.

Airtel offers its African customers a wide variety of services such as mobile telephony, mobile Internet, roaming, international calling and a suite of value added services including 'airtel money'. The Company offers 3G services in 7 countries : Nigeria, Zambia, Ghana, Kenya, Tanzania, Sierra Leone and Congo B. The Company offers 'airtel money' services in 8 countries: Zambia, Malawi, Kenya, Uganda, Tanzania, DRC, Gabon and Niger.

This was the first full year of the Company's operations in Africa. The Company replicated its proven business model deriving synergies through scale and speed of roll outs. The Company's strategic partners have established and stabilised supplies and services in the areas of network equipment, managed services, maintenance, information technology and call centres. These have enabled consistently high level of customer service, speedy innovation roll outs, etc. Overall network and brand experience across the African continent has seen a quantum improvement.

Revenues from Mobile Services – Africa for the financial year ended March 31, 2012 were ₹ 198,265 Mn representing a strong year on year growth of 52%. With its increased distribution reach and network expansion, the company added 8.9 Mn subscribers during the year. The growth of 20% in the customer base has translated into higher consumption of minutes on the network, thereby driving the robust growth in the revenues. EBIT grew by 494% year on year to ₹ 14,147 Mn for the year ended March 31, 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	53.1	44.2	20%
Gross Revenues (₹ Mn)	198,265	130,834	52%
EBIT (₹ Mn)	14,147	2,381	494%

RISKS & CONCERNS

The following section discusses the various aspects of enterprise-wide risk management. Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only.

Bharti Airtel believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. Bharti Airtel has a robust process to identify key risks across the group and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:-

- **Changes in regulatory environment**

The regulatory environment in India continues to be challenging. Recent regulatory developments will have significant implications on the future of telephony and broadband as well as India's global competitiveness. The entire industry looks to the Government for a fair, transparent and sustainable telecom regime. Amidst this uncertain regulatory environment, the positive feature is that larger players continue to enjoy majority of market share. The regulatory authorities keep consumer interest at the heart of the policy. Private players have driven the telecom growth in the country and Bharti Airtel has led from the front. In the process, the Company has created a large pool of loyal customers and talented human resource capital, in addition to developing a vibrant brand.

In Africa, the regulatory environment in which the Company operates varies from country to country and is at different stages of development. To ensure that the business risks associated with changes in regulations are well managed, the Company has adopted a consultative approach to engage the various regulators on the proposed key developments in each country. In addition, comprehensive self-assessments are carried out in all countries to ensure compliance with regulatory requirements.

- **Technical failures or natural disaster damaging telecom networks**

The Company's operations and assets are spread across wide geographies, including dense urban areas as well as vast rural terrains. The Company's telecom networks are subject to risks of technical failures or natural disasters. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Technical failures and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to our customers under most circumstances. This is of particular significance to Africa especially where the Company is enhancing its network coverage and capacity as part of its growth plans. The Company is currently focusing on eliminating systemic congestion in the network and reducing technical failures as well as embedding redundancies.

- **Currency and interest rate fluctuations**

The Company's operations are spread across 20 countries and are subject to the risks of fluctuations in currency rates. The Company has also borrowed in foreign currencies which have the inherent risk of currency fluctuations. Most of the borrowings carry variable interest rates which also exposes the Company to the risks of higher interest costs. To mitigate these risks, the Company follows a prudent risk management policy. The Company resorts to various hedging mechanisms to protect the cash flows. No speculative positions are

created and all foreign currency hedges are taken on the back of operational exposures. The Company is spreading its debt profile across local and overseas sources, to provide a natural hedge. Finally, the Company takes pro-active measures to mitigate cost pressures arising out of currency movements including sourcing diversification and pricing adjustments.

INTERNAL CONTROL SYSTEMS

The Company's philosophy towards internal control systems is based on the principle of "healthy growth". The 3-line graph is the simple mantra for operating managers who are not just focused on revenue growth but also opex and capex productivity. In addition, Country chiefs and Finance heads are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors.

The Audit Committee reviews the effectiveness of the internal control system in the Company and also invites the senior management/functional directors to provide an update on their functions from time to time. A CEO and CFO Certificate forming part of the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit Committee of the Board.

In India and South Asia, M/s. PricewaterhouseCoopers Private Limited (PwC) and M/s. ANB Consulting Private Limited are the internal auditors of the Company and they submit quarterly audit reports to the Audit Committee. In Africa, PricewaterhouseCoopers have been engaged as internal auditors for all countries except Nigeria, where KPMG has been appointed. KPMG has also been engaged to perform forensics work in all African operations. The Company has taken several steps to enhance the internal control systems in the new geographies, viz., Bangladesh, Sri Lanka and Africa such as: significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of Revenue Assurance checks, segregation of duties, rolling out self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education. The Company has also completed the implementation of Oracle ERP system in 13 countries in Africa, with added features for better internal controls on purchase-to-pay, fixed assets capitalization and inventory control processes. Centralisation of key Financial Reporting and Control activities as well as Revenue Assurance checks has been initiated. In India, a system of 24x7 continuous audit helps maintain oversight and monitoring of the Shared Services.

In summary, the healthy balance between empowerment and accountability at every operating level fosters a culture of responsible growth and well-judged risk taking.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

India and South Asia

Building an integrated, customer centric organization comprising of right talent and visionary leadership is at the core of our strategy in India. Re-organizing the India operations into B2C and B2B entities helped us leverage on inherent synergies of combining 3 product lines into 1 and offered an opportunity to employees across levels to contribute in enriched roles.

2011-12 also saw our human capital development efforts being taken to the next level with Hi-potential (HIPO) employees across functions being identified through a process of rigorous assessments as a part of the "Organization and Talent Review". These employees over the course of the next 3 years would go through targeted investments directed at their individual development. We have made further progress with our 'BLeAP' and 'ELeAP' programmes- which help HIPO employees to take on leadership roles in the future.

Partnering with the business to create a future ready pool of talent across all levels is a key pillar of our people development efforts. Our new 3D program was launched aimed at building employee capability on Data and Devices through extensive use of e-learning modules and subsequent certifications. Frontline capability building continued to be driven in the operating units with a focus on building cross functional capability across product lines.

Africa

2011 – 2012 was a year of continued transformations in Airtel Africa's people agenda. During the year we fundamentally reorganized the way we were structured in the continent. After setting up a new African headquarters at Nairobi, we sought to clarify governance positions and usher in new matrix reporting lines between the HQ and operating companies. This helped establish clear lines of authority and responsibility across Africa. Active zonalization across all operating companies was carried out to facilitate transfer of decision making authority and empowerment within the zones.

With key alliances being launched with strategic partners across Africa, review mechanisms and built in structures of checks and balances were created to ensure governance. We leveraged on good practices from India by setting up key systems and processes across all functions. Facilitating movement of talent across geographies enabled us to embed short term assignees who supported in building these processes from the ground-up.

The Africa Leadership Initiative was launched with the objective of providing opportunities to high potential local talent to occupy leadership roles in their respective home countries. We also launched functional skill building programs covering Sales and Marketing, Networks and Customer Service which are aimed at building skills at frontline customer facing roles.

During the year, we strengthened our partnerships with reputed global universities to reenergize our Leadership Development Programmes. While the scope of the partnership with INSEAD, already operational for leaders in South Asia, was expanded to include those in Africa, we entered a new partnership with Harvard to cater to leaders across both regions.

The Company's leadership development efforts were recognized by Aon Hewitt-Fortune as it won the 'Top Company for Leaders' award featuring amongst a list of global top 25 and top 5 Indian companies.

As we go into 2012-2013, we will increasingly be focused on stability and operational rigour. Our people agenda will continue to focus on capability building, improving employee engagement, and enhancing our employee value proposition.

OUTLOOK

As a market leader in the Indian Telecom space, Bharti Airtel's outlook is promising and is in line with future growth potential of the sector. As India opens its doors to the fourth generation of cellular wireless platform (4G), Bharti Airtel led the industry and launched 4G in Kolkata. With stronger emphasis on Data business across domestic and international markets, the Company believes data will be a key driver of overall growth.

The Company, along with other operators, has been representing to the Government of India for a fair, equitable and balanced policy regime that will enable the telecom sector to play a pivotal role in the next phase of India's economic growth, whilst sustaining the financial viability of the sector.

Emerging markets of Sri Lanka and Bangladesh and newer HD (High Definition) and interactive products of Digital TV will continue to be the focus areas for the Company. Airtel will continue to build its integrated solutions created for enterprise, small and medium businesses and continue to focus on its international infrastructure through submarine cable investments.

The Pan-India launch of airtel money has further ushered a new era of products and services for the customers. Rated as a pioneer in bringing life enriching telecom products and services for the customers, Airtel will continue its journey with Commerce and Entertainment verticals.

With geographic spread spanning most of the urban and rural India and its business offerings across the complete telecom services to retail and institutional customers, airtel's outlook promises and enables the Company to benefit from all growth opportunities in the Indian market. Also its continued unwavering focus on cost and synergies across the organization will keep it in a healthy financial position and this very business model augurs well for its expansion and success in new geographies.

As for our Africa operations, looking forward into 2012– 13, we shall be focusing on deploying our top ten transformation projects across the 17 countries of operation. Key focus areas include growing non-voice, deeper distribution, network quality and people development. We shall also be leveraging the fantastic opportunities that 3G data, Youth, SMB and Airtel Money present to us. Exploited fully, these have the capacity to make us truly unique to both our current and prospective customers in the market, whilst achieving our profitability goals.

SUMMARY

The Indian sub-continent and Sub-Saharan Africa continue to be amongst the most resilient economies of the world. The 20 countries that the Company operates in are probably the best places to be present in, given the current global economic situation. As a leading telecom player blessed with a loyal customer base, strong brand and a unique business model, we are destined to play our part in the economic growth of these countries.

Cautionary Statement

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

Report of the independent auditor on abridged financial statements

To
The Members of Bharti Airtel Limited

The accompanying abridged financial statements, which comprise the abridged balance Sheet as at March 31, 2012, the abridged statement of profit and loss, and the abridged cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Bharti Airtel Limited ('the Company') as at and for the year ended March 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated May 2, 2012. Those financial statements, and the abridged financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The abridged financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") as applied in the preparation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation of an abridgement of the audited financial statements in accordance with the Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 notified pursuant to section 219(1)(b)(iv) of the Companies Act, 1956.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged financial statements derived from the audited financial statements of the Company as at and for the year ended March 31, 2012 are a fair summary of those financial statements, in accordance with the Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012.

For S.R. BATLIBOI & ASSOCIATES
Firm Registration No. 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No. 93283

Place: New Delhi
Date: July 30, 2012

Independent auditors' report

To
The Members of Bharti Airtel Limited

1. We have audited the attached balance sheet of Bharti Airtel Limited ('Bharti Airtel or 'the Company') as at March 31, 2012 and also the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No.:93283

Place: New Delhi
Date: May 2, 2012

Annexure referred to in paragraph 3 of our report of even date

RE: BHARTI AIRTEL LIMITED ('THE COMPANY')

- (i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, *however, is in the process of updating* quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.
- (b) The Company has physical verification program of covering all fixed assets over a period of three years. Pursuant to the program, during the year, a substantial portion of planned physical verification of fixed assets and capital work in progress has been conducted by the management. *The Company is in the process of reconciling the quantitative and situation details of the physical verification results with the records maintained by the Company.*
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory (other than inventory with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess and other material statutory dues applicable to it. The provisions relating to excise duty is not applicable to the Company.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty and cess on account of any dispute, are as follows:

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ 'Mn)	Period to Which it Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	31	2000-02; 2005-08; 2009-10	Deputy Commissioner, Commercial Taxes, Punjagutta
Gujarat Sales Tax Act	Sales Tax	1	2006-07	Assistant Commissioner of Sales tax
West Bengal Sales Tax Act	Sales Tax	0	1996-97	The Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act	Sales Tax	0	1997-98	The Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act	Sales Tax	9	2005-06	Revision Board, Sales Tax
West Bengal Sales Tax Act	Sales Tax	12	2006-09	Appellate Authority
West Bengal Sales Tax Act	Sales Tax	1	2006-09	Sales Tax Tribunal
UP VAT Act	Sales Tax	16	2002-05, 2006-10	Assessing Officer
UP VAT Act	Sales Tax	22	2003-04, 2004-05, 2008-10	Assistant Commissioner Trade Tax
UP VAT Act	Sales Tax	11	2002-03	Commissioner of Trade Tax
UP VAT Act	Sales Tax	18	2006-07, 2008-10	High Court of Judicature - Allahabad
UP VAT Act	Sales Tax	14	2005-07, 2008-10	Joint Commissioner Appeals
UP VAT Act	Sales Tax	1	2006-07	Sales Tax Tribunal
Haryana Sales Tax Act	Sales Tax	3	2002-2004	Sales tax Officer
Himachal Pradesh Value Added Tax Act	Sales Tax	2	2007-09	Sales Tax Tribunal
Himachal Pradesh Value Added Tax Act	Sales Tax	0	2004-05	Assessing Officer
Punjab Sales Tax Act	Sales Tax	1	2001-02	Jt. Director (Enforcement)
Punjab Sales Tax Act	Sales Tax	30	2003-04	Punjab & Haryana High Court
Punjab Sales Tax Act	Sales Tax	1	2008-10	Deputy Excise & Taxation Commissioner Appeals Patiala
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997-01 & 2003-06 & 2007-08	Deputy Commissioner Appeals
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	15	2006-08	Appellate Authority
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Bombay High Court
Kerela Sales Tax Act	Sales Tax	2	2009-11	Intelligence Officer Squad No. V, Palakkad
Bihar Value Added Sales Tax Act	Sales Tax	45	2005-08	Assistant Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	20	2006-07; 2007-08	Commissioner
J&K General Sales Tax	Sales Tax	34	2004-07	High Court
Karnataka Sales Tax Act	Sales Tax	0	2005-06	High Court
Karnataka Sales Tax Act	Sales Tax	291	2004-05	ACST, Bangalore, Karnataka
Tamil Nadu General Sales Tax Act	Sales Tax	1	2004-05	Assistant Commissioner, Sales Tax
Sub Total (A)		603		
Finance Act, 1994 (Service tax provisions)	Service Tax	1,941	1997-2009	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	0	1997-98; 2000-07	Commissioner (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	0	2004-06	Deputy Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	14	2004-08	Commissioner of Central Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	2,437	2004-09	Commissioner, adjudication
Finance Act, 1994 (Service tax provisions)	Service Tax	255	2001-11	Commissioner of Service tax
Finance Act, 1994 (Service tax provisions)	Service Tax	2	2002-03	High Court of Madras, Chennai
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2000-01; 2008-09	Deputy Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2006-07	Joint Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	5	1995-97	Commissioner of Service tax
Sub Total (B)		4,657		

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ 'Mn)	Period to Which it Relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	15,540	1994-2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	191	1994-1995; 1996-97; 1999-00; 2003-05	High Court
Income Tax Act, 1961	Income Tax	4,339	2006-07	Dispute Resolution Panel
Income Tax Act, 1961	Income Tax	7	1996-97; 2005-10	Assessing Officer
Income Tax Act, 1961	Income Tax	2,139	1997-98, 2000-01 to 2006-07	Income Tax Appellate Tribunal
Sub Total (C)		22,217		
Customs Act, 1962	Custom Act	2,289	2005-07; 2009-10	Customs, Excise and Service Tax Appellate Tribunal
Sub Total (D)		2,289		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Sales Tax is ₹ 228 Mn, Service Tax is ₹ 25 Mn, Income Tax is ₹ 3,316 Mn and Custom Duty is ₹ 83 Mn.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, funds amounting to ₹ 39,491 million raised on short-term basis (primarily represented by capital creditors) have been used for long-term investment (primarily represented by fixed assets).
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company had created security or charge in respect of debentures outstanding at the beginning of the year and has released such security on repayment of debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit *except few cases of fraud, primarily in the nature of unauthorized use of Company's services/assets, on the Company by employees and external parties estimated at ₹ 16.2 million and ₹ 55.4 million, respectively*, as detected by the management for which appropriate steps were taken to recover the amount and ₹ 0.7 million out of such estimated amounts, has been recovered by the Company.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No. 101049W

Chartered Accountants

per Prashant Singhal

Partner

Membership No.93283

Place: New Delhi

Date: May 2, 2012

Abridged Balance Sheet as of March 31, 2012

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

Particular	(₹ Millions)	
	As of March 31, 2012	As of March 31, 2011
EQUITY AND LIABILITIES		
Shareholders' Funds		
Paid-up share capital	18,988	18,988
Reserves and surplus		
(i) Capital reserve	51	51
(ii) Securities premium	40,798	40,641
(iii) Debenture redemption reserve	-	32
(iv) Revaluation reserve	21	21
(v) Employee stock options outstanding	2,931	2,786
(vi) Reserve for business restructuring	24,912	24,912
(vii) General reserve	23,157	18,865
(viii) Surplus in the statement of profit and Loss	383,438	334,820
Non- Current Liabilities		
Long-term borrowings	82,338	74,687
Deferred tax liabilities (Net)	8,367	5,276
Other long term liabilities	25,184	25,132
Long term provisions	1,405	1,002
Current Liabilities		
Short-term borrowings	58,956	27,644
Trade payables	45,121	49,598
Other current liabilities	82,000	86,097
Short term provisions	5,570	5,274
Total	803,237	715,826
ASSETS		
Non-current Assets		
Fixed Assets		
Tangible assets	263,782	274,776
Intangible assets	140,626	132,231
Capital work-in-progress	9,230	14,320
Intangible assets under development	35,435	50,472
Non current investments	118,041	117,051
Long- term loans and advances	84,817	70,812
Other non-current assets	10,870	3,059
Current Assets		
Current investments	5,337	1,079
Inventories	321	344
Trade receivables	21,345	14,619
Cash and bank balances	4,812	1,332
Short-term loans and advances	98,101	25,464
Other current assets	10,520	10,267
Total	803,237	715,826

The accompanying notes form an integral part of the abridged financial statements.

As per our report of even date

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

per Prashant Singhal
Partner
Membership No: 93283

Place : New Delhi
Date : July 30, 2012

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

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel &
Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged Statement of Profit and Loss for the year ended March 31, 2012

(Statement containing salient features of Profit and Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956)

(₹ Millions except per share data and as stated otherwise)		
Particular	For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from operations	416,038	380,177
Other income	6,247	3,212
Total Revenue	422,285	383,389
Expenses		
Access charges	58,086	49,872
License fee and spectrum charges (revenue share)	46,942	42,903
Cost of goods sold	183	161
Employee benefits expenses	13,915	14,512
Power and fuel	29,727	25,233
Rent	47,714	43,337
Other expenses	82,702	70,466
Total Expenses	279,269	246,484
Profit before Finance Costs, Depreciation, Amortisation, Charity and Donation and Taxation	143,016	136,905
Finance costs	13,962	3,241
Depreciation and amortisation expense	59,160	46,116
Charity and donation	332	290
Profit before Tax	69,562	87,258
MAT credit	(5,227)	(12,469)
Tax Expense		
Current tax	14,398	17,315
Deferred tax	3,091	5,243
Profit for the year	57,300	77,169
Earnings per share (equity shares of par value ₹ 5 each)		
Basic and Diluted (In ₹)	15.09	20.32

The accompanying notes form an integral part of the abridged financial statements.

As per our report of even date

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

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place : New Delhi
Date : July 30, 2012

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel &
Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged Cash Flow Statement for the year ended March 31, 2012

(₹ Millions)		
Particular	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Cash flow from operating activities	114,378	132,932
B. Cash flow used in investing activities	(126,118)	(191,021)
C. Cash flow from financing activities	14,008	55,948
Net increase/(decrease) in cash and cash equivalents	2,268	(2,141)
Cash and cash equivalents at beginning of the year	1,280	3,421
Cash and cash equivalents at end of the year	3,548	1,280

Notes:

1 Figures in brackets indicate cash out flow.

2 The abridged cash flow statement has been prepared in accordance with AS-3 Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of the abridged financial statements.

As per our report of even date

For S. R. Battliboi & Associates
Firm Registration No: 101049W
Chartered Accountants

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place : New Delhi
Date : July 30, 2012

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
**Group General Counsel &
Company Secretary**

Srikanth Balachandran
**Global Chief
Financial Officer**

Notes to the Abridged Financial Statement for the year ended March 31, 2012

1. CORPORATE INFORMATION

Bharti Airtel Limited ('the Company') incorporated in India on July 7, 1995, is a company promoted by Bharti Telecom Limited ('BTL'), a company incorporated under the laws of India. The Company's shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is a leading telecommunication service provider in India providing telecommunication systems and services.

(Note 1 of the Annual Standalone Financial Statements)

2. BASIS OF PREPARATION

The abridged financial statements ('the financial statements') have been prepared on the basis of the complete set of audited standalone financial statements for the year ended March 31, 2012, (hereinafter referred to as 'Annual Standalone Financial Statements'), prepared in accordance with Revised Schedule VI to the Companies Act, 1956, for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the financial statements are in accordance with the requirements of Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012.

(Note 2 of the Annual Standalone Financial Statements)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting policy – presentation and disclosure of financial statements

The Annual Standalone Financial Statements of the Company have been prepared and presented for the year ended March 31, 2012,

as per the format prescribed under the revised Schedule VI notified under the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for the preparation of the Annual Standalone Financial Statements. However, it has significant impact on presentation and disclosures made in the Annual Standalone Financial Statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(Note 2.1 of the Annual Standalone Financial Statements)

4. INFORMATION ABOUT BUSINESS SEGMENTS-PRIMARY SEGMENT DEFINITIONS:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Mobile Services — These services cover voice and data telecom services provided through GSM technology in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Telemedia Services — These services cover voice and data communications based on fixed network and broadband technology.

Airtel Business — These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

(₹ Millions)						
Particular	Mobile Services	Telemedia Services	Airtel Business [#]	Unallocated [@]	Eliminations	Total
March 31, 2012						
Segment revenue	367,155	36,867	40,763	-	(28,747)	416,038
Segment result - profit/(loss)	77,968	6,983	(840)	(3,512)	-	80,599
Segment Capital employed *	267,644	79,110	22,413	103,898	-	473,065
March 31, 2011						
Segment revenue	332,619	35,936	39,142	-	(27,520)	380,177
Segment result - profit/(loss)	85,400	8,285	4,275	(9,563)	-	88,397
Segment Capital employed *	285,323	78,054	12,010	46,269	-	421,656

* Excludes inter segment assets and liabilities.

[#] Previously known as Enterprise Services.

[@] Segment capital employed includes amount borrowed for the acquisition of 3G & BWA Licenses of ₹ 61,117 Mn as of March 31, 2012 and ₹ 63,765 Mn as of March 31, 2011.

5. During the year ended March 31, 2012, the amount of dividend per share recognized as distributions to equity shareholders was ₹ 1.00 (March 31, 2011 ₹ 1.00). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

(Note 4 of the Annual Standalone Financial Statements)

6. During the year ended March 31, 2012, the Company has changed the trigger date for earlier years for certain business units enjoying Income tax holiday under the Indian Income tax laws. Accordingly, income tax credit of ₹ 903 Mn pertaining to earlier years has been recognized during the year ended March 31, 2012

(Note 7 of the Annual Standalone Financial Statements)

7. CAPITALISED BORROWING COSTS

The borrowing cost capitalized during the year ended March 31, 2012 was ₹ 1,565 Mn (March 31, 2011 ₹ 4,314 Mn). The Company capitalized this borrowing cost in the Intangible assets under development. The amount of borrowing cost included in Intangible assets under development (pertaining to license) is ₹ 2,293 Mn (March 31, 2011 ₹ 1,269 Mn).

(Note 15 of the Annual Standalone Financial Statements)

8. BOOK VALUE AND MARKET VALUE OF QUOTED INVESTMENTS

As at March 31, 2012 and March 31, 2011, the book value of quoted investment is ₹ 5,307 Mn and ₹ 1,050 Mn, respectively.

As at March 31, 2012 and March 31, 2011, the aggregate market value of quoted investment is ₹ 5,334 Mn and ₹ 1,051 Mn, respectively.

(Note 19 of the Annual Standalone Financial Statements)

9. CASH AND CASH EQUIVALENTS:

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Balances with banks		
- On current accounts	1,120	1,017
- Deposits with original maturity of 3 months or less	1,950	14
Cheques on hand	341	201
Cash on hand	123	34
On unpaid dividend account	14	14
	3,548	1,280

(Note 22 of the Annual Standalone Financial Statements)

10. CONTINGENT LIABILITIES

(i) Total guarantees outstanding as at March 31, 2012 amounting to ₹ 27,158 Mn (March 31, 2011 – ₹ 25,140 Mn) have been issued by banks and financial institutions on behalf of the Company.

Corporate guarantees outstanding as at March 31, 2012 amounting to ₹ 481,376 Mn (March 31, 2011 – ₹ 452,314 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies at no cost to the latter.

(ii) Claims against the Company not acknowledged as debt: (Excluding cases where the possibility of any outflow in settlement is remote):

a) Claims against the Company not acknowledged as debt:

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
(i) Taxes, Duties and Other demands - (under adjudication/appeal/dispute)		
-Sales Tax	552	3,906
-Service Tax	4,503	2,061
-Income Tax	14,224	6,570
-Customs Duty	2,198	2,198
-Stamp Duty	353	353
-Entry Tax	2,624	2,521
-Municipal Taxes	1	1
-Access Charges/Port Charges	4,519	3,710
-DoT demands	3,369	1,072
-Other miscellaneous demands	114	114
(ii) Claims under legal cases including arbitration matters	450	410
	32,907	22,916

Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable.

Post the Hon'ble Supreme Court Judgment on October 11, 2011 on components of Adjusted Gross Revenue for computation of License fee, based on the legal advice, the Company believes that the realized and unrealized foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange difference is not quantifiable and has not been included in the table above.

b) Sales tax

The claims for sales tax as at March 31, 2012 comprised the cases relating to:

- the appropriateness of the declarations made by the Company under the relevant sales tax legislations which was primarily procedural in nature;
- the applicable sales tax on disposals of certain property and equipment items;
- lease circuit/broadband connectivity services;
- the applicability of sales tax on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;

- v. In the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

c) Service tax

The service tax demands as at March 31, 2012 relate to:

- i. cenvat claimed on tower and related material,
- ii. Levy of service tax on SIM cards,
- iii. cenvat credit disallowed for procedural lapses and inadmissibility of credit,
- iv. disallowance of cenvat credit used in excess of 20% limit, and
- v. employee talk time.

d) Income tax demand under appeal

Income tax demands under appeal mainly included the appeals filed by the Company before various appellate authorities against the disallowance of certain expenses being claimed under tax by income tax authorities, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges etc. The management believes that, based on legal advice, its tax positions will be sustained and accordingly, recognition of a provision for those tax positions will not be appropriate.

e) Custom duty

The custom authorities, in some states, demanded ₹ 2,198 Mn as at March 31, 2012 (March 31, 2011 - ₹ 2,198 Mn) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

f) Entry tax

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is *ultra vires* the constitution. Classification issues have also been raised whereby, in view of the Company, the material proposed to be taxed not covered under the specific category. The amount under dispute as at March 31, 2012 was ₹ 2,624 Mn (March 31, 2011 - ₹ 2,521 Mn).

g) Access charges (Interconnect Usage Charges)/Port charges

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the guidelines issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the guidelines would need to be paid by the Company.

The management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable. Accordingly, no amounts have been accrued although some have been paid under protest.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on Aug 30, 2010 Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish CDRs to TRAI. The CDRs have been furnished to TRAI. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgment in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

h) DoT Demands

- i) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.
- ii) DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.
- iii) DoT demands also include the following contentious matters :-
 - a) In respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address/Identity in a mobility circle
 - b) In respect of invalid calling line identification (CLI) appearing in calls made to BSNL for certain promotional business calls in a mobility circle.
 - c) In respect of alleged non compliance to certain license conditions related to renting/transfer of sim cards in a mobility circle
 - d) In respect of provision of IPLC services to a non-licensed entity which has directly sold the same to a customer located in India in Airtel Business segment.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

i) Others

Others mainly include disputed demands for consumption tax, disputes before consumer forum and with respect to labour cases and a potential claim for liquidated damages.

The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable. No amounts have been paid or accrued towards these demands.

j) Bharti Mobinet Limited ('BMNL') litigation

Bharti Airtel is in litigation in various proceedings at various stages and in various forums with DSS Enterprises Private Limited (DSS) (which had 0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) on claims of specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to Bharti Airtel. In respect of one of the transactions with respect to purchase of 10.5% share of DSS in Skycell by Bharti, Crystal Technologies Private Limited ('Crystal'), an intermediary, initiated arbitration proceedings against the Company demanding ₹ 195 Mn regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to Bharti Airtel. The Ld. Arbitrator partly allowed the award for a sum of ₹ 31 Mn, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) and a further 18% interest from date of award to date of payment.

The Company appealed against the award. The Single Judge while dismissing the appeal reduced the rate of interest from 18% to 12%. The matter was appealed thereafter to Division Bench and finally to Supreme Court wherein the matter has been admitted on the condition that the amount as per Single Judge Order shall be secure in the SC, which has been done. The matter will now come up in due course.

DSS has also filed a suit against a previous shareholder of BMNL and Bharti Airtel challenging the transfer of shares by that shareholder to Bharti Airtel. The matter is to be reheard.

DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay was granted by the Delhi High Court with respect to the commencement of arbitration proceedings. The stay was made absolute.

The liability, if any, of Bharti Airtel arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with Bharti Airtel, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of ₹ 10 each (5,444,250 equity shares of ₹ 5 each post split) bringing the share of DSS in Bharti Airtel down to 0.14% as at March 31, 2012.

The management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable. Accordingly, no amounts have been accrued or paid in regard to this dispute.

k) During January, 2012, DoT has issued a show cause notice to the Company for alleged short payment of Licence Fee of ₹ 2,920 Mn

including interest for the year 2006-07 and 2007-08. The Company has submitted its reply against the same and is confident that there will be no amounts payable in this regard.

(Note 25 of the Annual Standalone Financial Statements)

11. CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 32,252 Mn as at March 31, 2012 (March 31, 2011 - ₹ 22,484 Mn).
- b) Under the IT Outsourcing Agreement, the Company has estimated commitments to pay ₹ 17,452 Mn as at March 31, 2012 (March 31, 2011 - ₹ 20,717 Mn) comprising of assets and service charges. The amount represents total minimum commitment over the unexpired period of the contracts i.e. between 2-10 years, since it is not possible for the Company to determine the extent of assets and services under the contract over the unexpired period. However, the actual charges/payments may exceed the above mentioned minimum commitment based on the terms of contract.
- c) Bharti Airtel has obtained licenses under the Export Promotion Capital Goods ('EPCG') Scheme for importing capital goods at a concessional rate of customs duty against submission of bank guarantee and bonds.

Under the terms of the respective schemes, the Company is required to export goods of FOB value equivalent to, or more than, five times the CIF value of imports in respect of certain licenses and eight times the duty saved in respect of licenses where export obligation has been refixed by the order of Director General Foreign Trade, Ministry of Finance, as applicable within a period of eight years from the import of capital goods. The Export Promotion Capital Goods Scheme, Foreign Trade Policy 2004-2009 as issued by the Central Government of India, covers both manufacturer exporters and service providers. Accordingly, in accordance with Clause 5.2 of the Policy, export of telecommunication services would also qualify.

Accordingly, the Company is required to export goods and services of FOB value of ₹ NIL as at March 31, 2012 (March 31, 2011 ₹ 2,404 Mn) by November 24, 2018.

(Note 26 of the Annual Standalone Financial Statements)

12. COMMITMENTS UNDER LEASE ARRANGEMENT:

The Company's future minimum lease payments obligation under the non-cancellable operating leases as of March 31, 2012 and March 31, 2011 is ₹ 289,174 Mn and ₹ 308,046 Mn, respectively.

(Note 46 of the Annual Standalone Financial Statements)

13. The Company has undertaken to provide financial support, to its subsidiaries and associates Bharti Airtel Services Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Hongkong) Limited, Bharti Telemedia Limited, Airtel M Commerce Services Limited, Bharti Airtel Lanka (Pvt) Limited and Bharti Airtel International (Netherlands) B.V. including its subsidiaries and associates, Alcatel-Lucent Network Management Services India Limited and Bharti Teleports Limited.

(Note 27 of the Annual Standalone Financial Statements)

14. DETAILS OF REVENUE FROM OPERATION

(₹ Millions)

Particular	For the year ended March 31, 2012	For the year ended March 31, 2011
Service Revenue		
- Voice revenue	323,312	296,846
- Others	92,513	83,097
Sale of products	213	234
	416,038	380,177

Note: Voice Revenue includes revenue from home network subscribers, roaming revenues and interconnect revenues

(Note 28 of the Annual Standalone Financial Statements)

15. DETAILS OF OTHER EXPENSES

(₹ Millions)

Particular	For the year ended March 31, 2012	For the year ended March 31, 2011
Interconnect and Port charges	1,359	1,107
Insurance		
Network	313	330
Others	41	(5)
Installation	34	29
Repairs and Maintenance		
Plant and Machinery	16,630	12,302
Building	142	130
Others - Network	174	643
Others - Administrative	746	456
Leased Line and Gateway charges	1,357	1,244
Internet access and bandwidth charges	4,689	2,995
Advertisement and Marketing	5,586	7,215
Sales Commission, Customer verification and Content cost	20,643	18,902
Indirect Selling and Distribution	2,704	2,183
Sim card utilisation	1,915	2,227
Legal and Professional	1,615	1,081
Rates and Taxes	595	81
IT and Call Center Outsourcing	10,972	9,348
Traveling and Conveyance	997	946
Bad debts written off	2,745	3,870
Provision for doubtful debts and advances	1,379	(1,688)
Provision for diminution in stock/ capital work in progress	335	229
Collection and Recovery Expenses	3,470	3,153
Loss on sale of Fixed Assets (net)	473	246
Printing and Stationery	638	685
Net foreign exchange loss	-	168
Miscellaneous Expenses		
Network	1,027	632
Sales and Marketing	1,256	1,276
Administrative	867	681
	82,702	70,466

(Note 32 of the Annual Standalone Financial Statements)

16. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Clause 32 of Listing Agreement are as follows:

(a) Loan and advance in the nature of loan bearing nil interest given to Bharti Telemedia Limited ₹ 31,060 Mn (March 31, 2011 ₹ 24,969 Mn).

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited is ₹ 11,047 Mn (March 31, 2011 ₹ 9,697 Mn at LIBOR + 4.5% interest rate). Effective February 10, 2012, no interest has been charged with an option for equity conversion.

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.7% interest rate is ₹ 50,686 Mn (March 31, 2011 ₹ 11,654 Mn).

(d) Loan and advance in the nature of loan given to Alcatel-Lucent Network Management Services India Limited at SBI PLR + 1% interest rate is ₹ 90 Mn (March 31, 2011 ₹ 90 Mn).

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at 13% p.a. interest rate is ₹ 332 Mn (March 31, 2011 ₹ 210 Mn).

(f) Loan and advance in the nature of loan given to Bharti Airtel International (Mauritius) Limited at LIBOR + 1.7% interest rate is ₹ 9,428 Mn (March 31, 2011 NIL).

(g) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.7% interest rate is ₹ 24,939 Mn (March 31, 2011 NIL).

(h) Loan and advance in the nature of loan given to Bharti Airtel Service Limited at nil interest is ₹ 56 Mn (March 31, 2011 ₹ 56 Mn).

(i) Loan and advance in the nature of loan given to Bharti Airtel (USA) Limited at 7.33% interest rate is ₹ 53 Mn (March 31, 2011 ₹ 45 Mn).

(Note 40 of the Annual Standalone Financial Statements)

17. RELATED PARTY DISCLOSURES

In accordance with the requirements of Accounting Standards (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

Name of the Related Party and Relationship:

(i) Key Management Personnel

Sunil Bharti Mittal
Manoj Kohli
Sanjay Kapoor

(ii) Other Related Parties

(a) Entities where control exist – Subsidiary/Subsidiaries of subsidiary

Bharti Hexacom Limited
Bharti Airtel Services Limited
Bharti Telemedia Limited
Bharti Airtel (USA) Limited
Bharti Airtel Lanka (Private) Limited
Bharti Airtel (UK) Limited
Bharti Airtel (Canada) Limited
Bharti Airtel (Hongkong) Limited
Bharti Infratel Limited

Network i2i Ltd
Bharti Airtel Holdings (Singapore) Pte Ltd
Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited)
Bharti Infratel Ventures Limited
(subsidiary of Bharti Infratel 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
Bharti International (Singapore) Pte Ltd
Airtel Bangladesh Limited
(subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel International (Netherlands) B.V.
Bangladesh Infratel Networks Limited
(incorporated on June 26, 2011)
Aero Ventures Limited (incorporated on July 8, 2011)
(ceased to be a subsidiary on March 20, 2012)
Bharti Airtel Africa B.V. (Subsidiary of Bharti Airtel International (Netherlands) B.V.)

Other subsidiaries of Bharti Airtel Africa B.V. :

Africa Towers N.V.
Africa Towers Services Limited (incorporated on September 8, 2011)
Airtel (Ghana) Limited
Airtel (SL) Limited
Airtel Burkina Faso S.A.#
Airtel Congo S.A.#
Airtel DTH Services (K)
Airtel DTH Services (Sierra Leone) Limited
Airtel DTH Services Burkina Faso S.A.
Airtel DTH Services Congo (RDC) (incorporated on April 5, 2011)
Airtel DTH Services Congo S.A.
Airtel DTH Services Gabon S.A (incorporated on May 26, 2011)
Airtel DTH Services Ghana Limited
Airtel DTH Services Madagascar S.A.
Airtel DTH Services Malawi Limited
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 Uganda Limited
Bharti DTH Services Zambia Limited
Airtel Madagascar S.A.
Airtel Malawi Limited
Airtel Mobile Commerce (SL) Limited (Formerly Zap Trust Company (SL) Limited)
Airtel Mobile Commerce B.V. (Formerly Zap Mobile Commerce B.V.)
Airtel Mobile Commerce Burkina Faso S.A. (Formerly Zap Mobile Commerce Burkina Faso S.A.)
Airtel Mobile Commerce Ghana Limited (Formerly Zap Trust Company Limited (Ghana))
Airtel Mobile Commerce Holdings B.V.(Formerly Zap Holdings B.V.)
Airtel Mobile Commerce Madagascar (S.A.) (Formerly Airtel Money Mobile Commerce Madagascar)
Airtel Mobile Commerce Malawi Limited (Formerly Zap Trust Company Limited (Malawi))
Airtel Mobile Commerce Tanzania Limited (Formerly Zap Trust Company Tanzania Limited)
Airtel Mobile Commerce Tchad SARL (Formerly Zain Mobile Commerce Tchad SARL)
Airtel Mobile Commerce Uganda (Formerly Zap Trust Company Uganda Limited)
Airtel Money Niger (Formerly Zap Niger S.A (Niger))
Airtel Money (RDC) S.p.r.l
Airtel Networks Kenya Limited#
Airtel Networks Limited
Airtel Rwanda Limited (incorporated on September 2, 2011)
Airtel Tanzania Limited#
Airtel Towers (Ghana) Limited
Airtel Towers S.L. Company Limited
Airtel Uganda Limited
Airtel (Seychelles) Limited (Formerly Telecom Seychelles Limited)
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 Developers Forum Limited
(Formerly Zain Developers Limited)
Bharti Airtel DTH 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 Cameroon B.V. (Formerly Bharti Airtel Rwanda Holdings 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.[#]
 Burkina Faso Towers S.A.
 Celtel (Mauritius) Holdings Limited
 Celtel Cameroon SA
 Celtel Congo RDC S.a.r.l.[#]
 Celtel Gabon S.A.
 Celtel Niger S.A.
 Celtel Tchad S.A.[#]
 Celtel Zambia plc
 Channel Sea Management Co Mauritius Limited
 Congo (RDC) Towers S.p.r.l. (incorporated on April 5, 2011)
 Congo Towers S.A.
 Gabon Towers S.A. (incorporated on May 17, 2011)
 Indian Ocean Telecom Limited
 Kenya Towers S.A.
 Madagascar Towers S.A.
 Malawi Towers Limited
 Mobile Commerce Congo S.A.
 Mobile Commerce Gabon S.A.
 Montana International
 MSI-Celtel Nigeria Limited
 Niger Towers S.A.
 Partnership Investments Sprl
 Rwanda Towers Limited (incorporated on September 12, 2011)
 Société Malgache de Telephonie Cellulaire SA
 Tanzania Towers S.A.
 Tchad Towers S.A.
 Towers Support Nigeria Limited
 Uganda Towers Limited

Zambian Towers Limited
 Zap Trust Company Nigeria Limited
 Zebrano (Mauritius) Limited (Formerly Zain (IP) Mauritius Limited)
 ZMP Limited (Zambia)

(b) Associates/Associate of subsidiary

Alcatel-Lucent Network Management Services India Limited
 Bharti Teleports Limited
 Tanzania Telecommunications Limited (Associate of Bharti Airtel Tanzania B.V.)

(c) Joint Ventures/Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited)
 Indus Towers Limited (Joint Venture of Bharti Infratel Limited)
 Bridge Mobile Pte Limited

(d) Entities where Key Management Personnel and their relatives exercise significant influence/Group Companies

Beetel Teletech Limited
 Bharti Airtel Employees Welfare Trust
 Bharti Axa General Insurance Company Limited
 Bharti Axa Investment Managers Private Limited
 Bharti Axa Life Insurance Company Limited
 Bharti Enterprises Limited
 Bharti Foundation
 Bharti Realty Holdings Limited
 Bharti Realty Limited
 Bharti Retail Limited
 Bharti Softbank Holdings Pte Limited
 Bharti Wal-Mart Private Limited
 Centum Learning Limited
 Comviva Technologies Limited
 Fieldfresh Foods Private Limited
 Guernsey Airtel Limited
 Indian Continent Investment Limited
 Jersey Airtel Limited
 Nile Tech Limited

(e) Entities having significant influence over the Company

Singapore Telecommunications Limited
 Pastel Limited
 Bharti Telecom Limited

[#] Transactions of similar nature with such subsidiaries have been clubbed and shown under the head 'Other African Subsidiaries' as their contribution to total transaction value is less than 10%.

(₹ Millions)

Nature of transaction	Entities where control exist										
	Bharti Hexacom Limited ^{(a)(i)}	Bharti Airtel Services Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holdings (Singapore) Pte Limited	Bharti Airtel Bangladesh Limited	Bharti Telemedia Limited	Bharti Infratel Limited ^{(a)(ii)}	Bharti Airtel Lanka (Private) Limited (a)
Purchase of fixed assets/bandwidth	(133)	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	485	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	(20)	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	5,708	-	115	7	1	2	11	-	397	131	171
Receiving of services	(1,828)	(2,457)	(217)	(31)	-	(10)	-	(9)	(48)	(15,063)	(82)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	(10,849)	-
Common cost allocation charge/s Received	857	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	1,070	3,835	-	-	-	-	-	-	162	2	-
Fund received/Expenses incurred on behalf of the Company	(778)	(4,707)	(11)	-	-	-	-	-	(420)	-	-
Employee related expenses incurred on behalf of others	65	279	-	-	-	-	-	-	281	15	-
Employee related expenses incurred on behalf of the Company	(5)	(27)	-	-	-	-	-	-	(83)	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	54	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received***	-	-	-	-	-	-	-	-	-	(5,360)	-
Loan given	-	-	-	-	-	-	-	-	5,707	-	1,349
Subscription to share capital	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	(1,055)	-
Interest received	303	-	4	-	-	-	-	-	-	-	407
Dividend Paid/(Received)	(262)	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	(13,259)	-
Trade Payables	-	-	-	(280)	-	-	-	(5)	-	(1,702)	-
Loans and Advances	-	785	51	-	-	-	-	-	30,945	2,512	11,454
Trade Receivables	270	281	698	-	23	2	11	-	24	-	55
Total Balance	270	1,066	749	(280)	23	2	11	(5)	30,969	(12,449)	11,509
Maximum Loans and Advance											
Outstanding during the year		56	53						31,060		11,047
Guarantees and Collaterals (Refer note 10 (1)) of the financial statements	1,656	103						5500	663		

** Refer note 47 (viii) of the Annual Standalone Financial Statements

*** Net of repayment of loan of ₹ 6100 Mn

@ Loan and advances also includes interest receivables

(₹ Millions)

Nature of transaction	Entities where control exist										
	Network i2i Limited	Airtel M Commerce Services Limited	Bharti Airtel (Japan) Kabushiki Kaisha	Bharti Airtel (France) SAS	Bharti Airtel International (Mauritius) Limited	Bharti International (Singapore) Pte Limited	Bharti Airtel International (Netherlands) B.V.	Airtel (Seychelles) Limited	Airtel (Ghana) Limited	Airtel Networks Limited	Other African Subsidiaries
Purchase of fixed assets/bandwidth	(377)	-	-	-	-	(144)	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	1,421	10	-	-	-	94	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	103	-	-	-	-	501	72	41	139	378	311
Receiving of services	(1,130)	(6)	(2)	(21)	-	(1,114)	-	(44)	(95)	(103)	(133)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge/s Received	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	8	268	-	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	(2)	-	-	-	(142)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	91	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	(6)	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	9,055	24,939	39,032	-	-	-	-
Subscription to share capital	-	460	-	-	201	211	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	126	301	464	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	(65)	-	-	-	(26)	-	-	-
Loans and Advances	-	-	-	-	9,181	25,240	51,176	-	-	-	-
Trade Receivables	637	300	-	-	-	897	56	-	111	287	181
Total Balance	637	300	-	(65)	9,181	26,137	51,232	(26)	111	287	181
Maximum Loans and Advance Outstanding during the year					9,428	24,939	50,686				
Guarantees and Collaterals (Refer note 10 (i) of the Financial Statements)					82,365	391,130					

** Refer note 47 (viii) of the Annual Standalone Financial Statements
@ Loan and advances also includes interest receivables

(₹ Millions)

Nature of transaction	Associates		Joint Venture/Joint Venture of Subsidiary			Entities where key management personnel and its relatives exercise significant influence					
	Alcatel-Lucent Network Management Services India Ltd.	Bharti Teleport Limited	Forum 1 Aviation Limited	Indus Towers Limited	Bridge Mobile Pte Limited	Bharti Wal-Mart Private Limited	Comviva Technologies Limited	Beetel Teletech Limited	Indian Continent Investment Limited	Bharti Realty Holdings Limited	Field Fresh Foods Private Limited
Purchase of fixed assets/bandwidth	(2,392)	-	-	-	-	-	(5)	(179)	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	131	5	-	29	-	6	3	11	-	-	2
Receiving of services	(2,194)	-	(35)	(25,385)	(20)	-	(673)	(84)	-	(383)	(183)
Reimbursement of energy expenses	-	-	-	(14,314)	-	-	-	-	-	-	-
Common cost allocation charge/s Received	-	1	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	8	-	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	15	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	163	-	-	-	-	-	70	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given ^{as per}	-	(38)	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	98	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	14	33	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	266	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	(1,006)	(28)	(7)	(6,164)	(6)	-	-	(21)	-	-	-
Loans and Advances	90	172	-	5,720	-	-	-	-	-	315	94
Trade Receivables	-	-	-	-	-	2	5	-	-	6	4
Total Balance	(916)	144	(7)	(444)	(6)	2	5	(21)	-	321	98
Maximum Loans and Advance											
Outstanding during the year	90	332									
Guarantees and Collaterals (Refer note 10 (11) of the financial Statement)											

**** Net of repayment of loan received from Bharti Teleports Limited of ₹ 235 Mn

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence										
	Bharti AXA Life Insurance Company Limited	Bharti Foundation	Bharti Employees Welfare Trust	Airtel Employees Limited	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited	Bharti General Insurance Company Limited	AXA Reaity and Consultants Limited	Nile Tech Limited
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	1	-	-	26	3	-	-	36	-	-	-
Receiving of services	-	-	-	(1)	-	-	(477)	(16)	(3)	-	(510)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	-	13	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	(535)	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	3	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	(12)	(1)	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	105	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	(539)	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	546	-	-	-	-	-	-	5	1
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	(2)	-
Loans and Advances	-	-	271	-	-	-	36	-	-	5	343
Trade Receivables	-	-	-	7	175	-	-	5	-	-	-
Total Balance	-	-	271	7	175	36	5	5	5	(2)	343
Maximum Loans and Advance											
Outstanding during the year											
Guarantees and Collaterals (Refer note 10 (1)) of the financial Statement)											

RELATED PARTY TRANSACTION FOR 2011-12

Nature of transaction	Entities having significant influence over the Company					Key Management Personnel			₹ Millions
	Singapore Telecommunications Limited	Pastel Limited	Bharti Telecom Limited	Manoj Kohli (\$)					
				Sunil Bharti Mittal		Sanjay Kapoor			
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-	
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-	
Purchase of Investments	-	-	-	-	-	-	-	-	
Sale of Investments	-	-	-	-	-	-	-	-	
Rendering of services	1,047	-	-	-	-	-	-	-	
Receiving of services	(450)	-	-	-	-	-	-	-	
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	
Common cost allocation charge/s Received	-	-	-	-	-	-	-	-	
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	-	-	
Fund received/Expenses incurred on behalf of the Company	(25)	-	-	-	-	-	-	-	
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-	
Employee related expenses incurred on behalf of the Company	-	-	-	-	213	(11)	-	40	
Remuneration	-	-	-	-	-	-	-	-	
Donation	-	-	-	-	-	-	-	-	
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	
Security deposit/Advances paid	-	-	-	-	-	-	-	-	
Security deposit/Advances received	-	-	-	-	-	-	-	-	
Loan received	-	-	-	-	-	-	-	-	
Loan given	-	-	-	-	-	-	-	-	
Subscription to share capital	-	-	-	-	-	-	-	-	
Interest paid	-	-	-	-	-	-	-	-	
Interest received	-	-	-	-	-	-	-	-	
Dividend Paid/(Received)	-	591	1,728	-	-	-	-	-	
Outstanding balances at year end									
Borrowings	-	-	-	-	-	-	-	-	
Trade Payables	-	-	-	(113)	-	-	-	(13)	
Loans and Advances	-	-	-	-	-	-	-	-	
Trade Receivables	361	-	-	-	-	-	-	-	
Total Balance	361	-	-	(113)	-	-	-	(13)	
Maximum Loans and Advance Outstanding during the year									
Guarantees and Collaterals (Refer note 10 (1)) of the financial Statement)									

\$ Represents remuneration provided in earlier year reversed in the FY 11-12

RELATED PARTY TRANSACTION FOR 2010-11

(₹ Millions)

Nature of transaction	Entities where control exist											
	Bharti Hexacom Limited	Bharti Airtel (Services) Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holdings (Singapore) Pte Limited	Bharti Airtel (Singapore) Private Limited	Airtel Bangladesh Limited	Bharti Telemedia Limited	Bharti Infratel Limited	Bharti Airtel Lanka (Private) Limited
Purchase of fixed assets/bandwidth	(139)	-	-	-	-	-	-	(1,218)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	395	-	73	-	-	-	-	162	-	1	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	5,375	15	378	33	7	1	-	22	-	321	69	111
Receiving of services	(1,536)	(2,501)	(321)	(204)	-	(73)	-	(78)	(6)	(39)	(13,933)	(54)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	699	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf for others	6,541	3,773	-	1	-	-	-	-	-	306	199	-
Fund received/Expenses incurred on behalf of the Company	(5,647)	(3,543)	-	-	-	-	-	-	-	(270)	-	-
Employee related expenses incurred on behalf for others	38	70	-	-	-	-	-	-	-	95	-	-
Employee related expenses incurred on behalf of the Company	(6)	(106)	-	-	-	-	-	-	-	(5)	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	190	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	(7,800)	-
Loan given	-	-	-	-	-	-	-	-	-	10,090	-	3,513
Subscription to share capital	-	-	-	-	-	-	227	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	(412)	-
Interest received	(11)	-	3	-	-	-	-	-	-	-	-	399
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end												
Borrowings	-	-	-	-	-	-	-	-	-	-	(7,800)	-
Trade Payables	-	-	-	(291)	-	(83)	-	-	-	-	(1,716)	-
Loans and Advances	-	758	45	-	-	-	-	-	-	24,969	2,458	9,697
Trade Receivables	459	218	589	-	19	-	-	-	-	-	-	40
Total Balance	459	976	634	(291)	19	(83)	-	-	(3)	24,969	(7,058)	9,737
Maximum Loans and Advance												
Outstanding during the year										24,969		9,697
Guarantees and Collaterals	1,564	87							5,810	772	3	

(₹ Millions)

Nature of transaction	Entities where control exist										
	Network	Airtel M	Bharti	Bharti	Bharti	Bharti Airtel	Bharti	Bharti Airtel	Airtel (Ghana)	Airtel	Other
	izi Limited	Commerce Services Limited	Airtel (Japan) Kabushiki Kaisha	Airtel (France) SAS	International (Mauritius) Limited	International (Singapore) Pte Limited	International (Netherlands) B.V.	Seychelles Limited	Limited	Networks Limited	African Subsidiaries
Purchase of fixed assets/bandwidth	(1,824)	-	-	-	-	(496)	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	17	-	-	-	-	830	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	52	-	-	-	-	159	-	36	63	41	80
Receiving of services	(432)	-	(52)	(99)	-	(308)	-	(42)	(3)	(28)	(40)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	14	-	1	-	-	10	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	10	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	11,654	-	-	-	-
Subscription to share capital	-	20	-	-	4,636	629	1	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	26	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	(3,638)	-	(50)	(94)	-	(4,838)	-	(19)	-	-	-
Loans and Advances	-	-	-	-	-	-	11,654	-	-	-	-
Trade Receivables	-	20	-	-	-	-	35	-	60	13	49
Total Balance	(3,828)	20	(50)	(94)	-	(4,838)	11,689	(19)	60	13	49
Maximum Loans and Advance Outstanding during the year							11,654				
Guarantees and Collaterals						108,410	335,668				

(₹ Millions)

Nature of transaction	Associates		Joint Venture/Joint Venture of Subsidiary					Entities where key management personnel and its relatives exercise significant influence					
	Alcatel-Lucent Network Management Services India Ltd.	Bharti Teleports Limited	Forum 1 Aviation Limited	Indus Towers Limited	Bridge Mobile Pte Limited	Bharti Wal-Mart Private Limited	Comviva Technologies Limited	Beetel Teletech Limited	Indian Continent Investment Limited	Bharti Realty Limited	Bharti Realty Holdings Limited		
Purchase of fixed assets/bandwidth	(3,577)	-	-	-	-	-	-	(417)	-	-	-		
Sale of fixed assets/retirement of bandwidth	6	-	-	-	-	-	-	-	-	-	-		
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-		
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-		
Rendring of services	36	2	-	35	-	4	5	49	-	-	-		
Receiving of services	(1,827)	-	(41)	(23,311)	(13)	-	(570)	(97)	-	(391)	(155)		
Reimbursement of energy expenses	-	-	-	(11,625)	-	-	-	-	-	-	-		
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-		
Fund transferred/Expenses incurred on behalf of others	30	4	-	-	-	-	1	1	-	-	-		
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	(2)	-	-	-	-	-		
Employee related expenses incurred on behalf of others	-	12	-	-	-	-	-	(2)	-	-	-		
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-		
Remuneration	-	-	-	-	-	-	-	-	-	-	-		
Donation	-	-	-	-	-	-	-	-	-	-	-		
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-		
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	14	86		
Security deposit/Advances received	-	-	-	(84)	-	-	-	-	-	(335)	-		
Loan received	-	-	-	-	-	-	-	-	-	-	-		
Loan given	90	110	-	-	-	-	-	-	-	-	-		
Subscription to share capital	-	-	-	-	-	-	-	-	-	-	-		
Interest paid	-	-	-	-	-	-	-	-	-	-	-		
Interest received	5	17	-	-	-	-	-	-	-	-	-		
Dividend Paid	-	-	-	-	-	-	-	-	259	-	-		
Outstanding balances at year end													
Borrowings	-	-	-	-	-	-	-	-	-	-	-		
Trade Payables	(795)	-	-	(5,131)	(4)	-	(84)	-	-	-	-		
Loans and Advances	90	210	-	5,557	-	-	-	-	-	245	94		
Trade Receivables	-	17	-	-	-	2	-	2	-	-	-		
Total Balance	(705)	227	-	426	(4)	2	(84)	2	-	245	94		
Maximum Loans and Advance Outstanding during the year	90	210											
Guarantees and Collaterals													

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence										
	Field Fresh Foods Private Limited	Bharti AXA Life Insurance Company Limited	Bharti Foundation	Bharti Airtel Employees Welfare Trust	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited	Bharti AXA General Insurance Company Limited	Bharti AXA Investment Managers Private Limited	Nile Tech Limited
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	224	-
Renting of services	6	2	-	-	53	2	-	35	-	-	-
Receiving of services	-	-	-	-	(2)	-	(346)	(14)	(2)	-	(514)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	1	17	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	(562)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	(1)	-	-	-	-	-	(1)	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	107	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	(222)	-	-	-	-	-	-	343
Security deposit/Advances paid	-	-	-	401	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer Note 35)	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	-	264	-	-	66	-	-	-	343
Trade Receivables	1	-	-	-	18	105	-	19	-	-	-
Total Balance	1	-	-	264	18	105	66	19	-	-	343
Maximum Loans and Advance Outstanding during the year											
Guarantees and Collaterals											

RELATED PARTY TRANSACTION FOR 2010-11

(₹ Millions)

Nature of transaction	Entities having significant influence over the Company					Key Management Personnel		
	Singapore Telecommunications Limited	Pastel Limited	Bharti Telecom Limited	Sunil Bharti Mittal	Manoj Kohli	Sanjay Kapoor		
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-
Rendering of services	1,094	-	-	-	-	-	-	-
Receiving of services	(521)	-	-	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	275	44	-	44	-
Remuneration	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Dividend Paid	-	591	1,726	-	-	-	-	1
Outstanding balances at year end								
Borrowings	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	(179)	(13)	-	(15)	-
Loans and Advances	-	-	-	-	-	-	-	-
Trade Receivables	421	-	-	-	-	-	-	-
Total Balance	421	-	-	(179)	(13)	-	(15)	-
Maximum Loans and Advance Outstanding during the year								
Guarantees and Collaterals								

(Note 45 of the Annual Standalone Financial Statements)

18. FORWARD CONTRACTS & DERIVATIVE INSTRUMENTS

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to interest rate and foreign exchange fluctuations.

The following table details the status of the Company's exposure as on March 31, 2012:

		(₹ Millions)	
Sr No.	Particulars	Notional Value March 31, 2012	Notional Value March 31, 2011
A	For Loan related exposures*		
a)	Forwards	6,744	13,119
b)	Options	18,212	29,922
c)	Interest Rate Swaps (Principal amount of the contract)	1,279	8,501
	Total	26,235	51,542
B	For Trade related exposures*		
a)	Forwards	2,880	1,558
b)	Options	1,843	1,880
	Total	4,723	3,438
C	Unhedged foreign currency borrowing	19,665	21,840
D	Unhedged foreign currency payables	14,181	16,480
E	Unhedged foreign currency receivables	89,416	12,231

* All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Company has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded reversal of losses for earlier period of ₹ 82 Mn (including losses of ₹ 156 Mn towards embedded derivatives) for the year ended March 31, 2012 [recorded losses of ₹ 126 Mn for the year ended March 31, 2011]

(Note 48 of the Annual Standalone Financial Statements)

19. DETAILS OF DEBT COVENANT W.R.T. THE COMPANY'S 3G/BWA BORROWINGS:

The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exist any Security Interest on any of its assets without prior written consent of the Lenders except in certain agreed circumstances.

(Note 52 of the Annual Standalone Financial Statements)

20. The complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Revised Schedule VI to the Companies Act, 1956 are available at the Company's website <http://www.airtel.in>.

21. Previous year figures have been regrouped/reclassified where necessary to conform to current year's classification.

(Note 53 of the Annual Standalone Financial Statements)

Report of the independent auditor on abridged consolidated financial statements

To
The Members of Bharti Airtel Limited

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated statement of financial position as at March 31, 2012, and the abridged consolidated income statement, the abridged consolidated statement of comprehensive income, the abridged consolidated statement of changes in equity and the abridged consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited IFRS consolidated financial statements of Bharti Airtel Limited ("the Company") and its subsidiaries (together referred to as "the Group") for the year ended March 31, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 2, 2012. Those consolidated financial statements, and the abridged consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The abridged financial statements do not contain all the disclosures required by the International Financial Reporting Standards ('IFRS') applied in the preparation of the audited consolidated financial statements of the Group. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation of an abridgement of the audited consolidated financial statements in accordance with the Rule 7A of the Companies (Central Government's) General Rules

and Forms (Amendment) Rules, 2012 notified pursuant to section 219(1)(b)(iv) of the Companies Act, 1956.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited consolidated financial statements of the Group for the year ended March 31, 2012 are a fair summary of those consolidated financial statements, in accordance with the Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012.

For S.R. BATLIBOI & CO. / ASSOCIATES
Firm Registration No. 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No. 93283

Place: New Delhi
Date: July 30, 2012

Consolidated financial statements with Auditors' report

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of Bharti Airtel Limited

We have audited the accompanying consolidated statement of financial position of Bharti Airtel Limited ("the Company") and its subsidiaries (together referred to as "the Group") as at March 31, 2012, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of a joint venture, included herein with the Company's share of total assets of ₹ 66,935 Mn as at March 31, 2012, the total revenue (including recovery of power and

fuel charges) of ₹ 50,859 Mn and the cash inflows amounting to ₹ 206 Mn for the year then ended, on the basis of amounts reflected in the audited financial statements of the joint-venture and before elimination of inter-company transactions between the Company and the joint venture on Consolidation. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the management in accordance with the International Financial Reporting Standards (IFRS).

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the consolidated financial statements give a true and fair view of the financial position of the Group as of March 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 2, 2012

Abridged consolidated income statement

(₹ Millions, except per share data)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Revenue	714,508	595,383
Other operating income	550	635
Operating expenses	(477,935)	(395,300)
	237,123	200,718
Depreciation and amortisation	(133,681)	(102,066)
Profit from operating activities	103,442	98,652
Share of results of associates	(74)	(57)
Profit before finance income, cost and tax	103,368	98,595
Finance income	2,643	3,536
Finance costs	(40,828)	(25,349)
Profit before tax	65,183	76,782
Income tax expense	(22,602)	(17,790)
Net profit for the year	42,581	58,992
attributable to :		
Equity holders of the parent	42,594	60,467
Non-controlling interests	(13)	(1,475)
Net profit	42,581	58,992
Earnings per share		
Basic, profit attributable to equity holders of parent	11.22	15.93
Diluted, profit attributable to equity holders of parent	11.22	15.93

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

Abridged consolidated statement of comprehensive income

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net profit for the year	42,581	58,992
Other comprehensive income		
Exchange differences on translation of foreign operations	(20,410)	12,681
Income tax effect	-	-
Other comprehensive income for the year, net of tax	(20,410)	12,681
Total comprehensive income for the year, net of tax	22,171	71,673
attributable to :		
Equity holders of the parent	22,550	73,661
Non-controlling interests	(379)	(1,988)
Total Comprehensive Income	22,171	71,673

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

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place : New Delhi
Date : July 30, 2012

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel &
Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged consolidated statement of financial position

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Assets		
Non-current assets		
Property, plant and equipment	674,932	651,426
Intangible assets	660,889	637,317
Investment in associates	24	-
Derivative financial assets	2,756	1,998
Other financial assets	17,086	7,930
Other non - financial assets	15,568	9,255
Deferred tax asset	51,277	45,061
	1,422,532	1,352,987
Current assets		
Inventories	1,308	2,139
Trade and other receivables	63,735	54,929
Derivative financial assets	2,137	2,682
Prepayments and other assets	32,621	30,504
Income tax recoverable	9,049	5,280
Short term investments	18,132	6,224
Other financial assets	802	744
Cash and cash equivalents	20,300	9,575
	148,084	112,077
Total assets	1,570,616	1,465,064
Equity and Liabilities		
Equity		
Issued capital	18,988	18,988
Treasury shares	(282)	(268)
Share premium	56,499	56,499
Retained earnings	395,682	357,446
Foreign currency translation reserve	(6,026)	14,018
Other components of equity	41,252	40,985
Equity attributable to equity holders of parent	506,113	487,668
Non-controlling interest	27,695	28,563
Total equity	533,808	516,231
Non-current liabilities		
Borrowings	497,154	532,338
Deferred revenue	2,892	8,700
Provisions	7,240	6,085
Derivative financial liabilities	401	151
Deferred tax liability	11,621	12,487
Other financial liabilities	23,076	13,856
Other non - financial liabilities	5,551	5,371
	547,935	578,988
Current liabilities		
Borrowings	193,078	84,370
Deferred revenue	43,282	30,599
Provisions	1,290	1,180
Other non - financial liabilities	10,811	10,053
Derivative financial liabilities	166	317
Income tax liabilities	7,596	3,642
Trade & other payables	232,650	239,684
	488,873	369,845
Total liabilities	1,036,808	948,833
Total equity and liabilities	1,570,616	1,465,064

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

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

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place : New Delhi
Date : July 30, 2012

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
**Group General Counsel &
Company Secretary**

Srikanth Balachandran
**Global Chief
Financial Officer**

Abridged consolidated statement of changes in equity

Particulars	Attributable to equity holders of the Parent							(₹ Millions, except as stated otherwise)		
	Issued capital Shares (in '000s)	Par value of ₹ 5 each	Treasury shares	Share premium	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non Controlling Interest	Total equity
As of April 1, 2010	3,797,531	18,988	(81)	56,499	301,342	824	44,368	421,940	25,285	447,225
Net income/(loss) for the year	-	-	-	-	60,467	-	-	60,467	(1,475)	58,992
Other comprehensive income/(loss)	-	-	-	-	-	13,194	-	13,194	(513)	12,681
Total comprehensive income/(loss)	-	-	-	-	60,467	13,194	-	73,661	(1,988)	71,673
Stock based compensation	-	-	-	-	-	-	1,391	1,391	170	1,561
Transferred from Debenture redemption reserve	-	-	-	-	65	-	(65)	-	-	-
Purchase of treasury stock from market	-	-	(402)	-	-	-	-	(402)	-	(402)
Receipt on exercise of treasury stock	-	-	215	-	-	-	(119)	96	-	96
Transaction with Non-Controlling Interest	-	-	-	-	-	-	(4,590)	(4,590)	(1,514)	(6,104)
Non-Controlling interest arising on a business combination (ref note 6)	-	-	-	-	-	-	-	-	6,610	6,610
Dividend	-	-	-	-	(4,428)	-	-	(4,428)	-	(4,428)
As of March 31, 2011	3,797,531	18,988	(268)	56,499	357,446	14,018	40,985	487,668	28,563	516,231
Net income/(loss) for the year	-	-	-	-	42,594	-	-	42,594	(13)	42,581
Other comprehensive income/(loss)	-	-	-	-	-	(20,044)	-	(20,044)	(366)	(20,410)
Total comprehensive income/(loss)	-	-	-	-	42,594	(20,044)	-	22,550	(379)	22,171
Stock based compensation	-	-	-	-	-	-	884	884	40	924
Reclassification to provision for payment of stock option	-	-	-	-	-	-	(121)	(121)	(20)	(141)
Transferred from Debenture redemption reserve	-	-	-	-	32	-	(32)	-	-	-
Transferred from Revaluation reserve	-	-	-	-	21	-	(21)	-	-	-
Purchase of treasury stock from market	-	-	(544)	-	-	-	-	(544)	-	(544)
Exercise of treasury stock	-	-	530	-	-	-	(343)	187	-	187
Transaction with Non-Controlling Interest (ref note 6)	-	-	-	-	-	-	(100)	(100)	100	-
Change in Non-Controlling interest arising on a business combination (ref note 6)	-	-	-	-	-	-	-	-	(715)	(715)
Dividend paid to Company's shareholders	-	-	-	-	(4,411)	-	-	(4,411)	-	(4,411)
Dividend paid to Non-Controlling Interest	-	-	-	-	-	-	-	-	(157)	(157)
Others (ref note 6)	-	-	-	-	-	-	-	-	263	263
As of March 31, 2012	3,797,531	18,988	(282)	56,499	395,682	(6,026)	41,252	506,113	27,695	533,808

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

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

per Prashant Singhal
Partner
Membership No: 93283

Place : New Delhi
Date : July 30, 2012

Sanjay Kapoor
CEO (India & South Asia)

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

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

Abridged consolidated statement of cash flows

Particulars	₹ Millions)	
	Year ended March 31, 2012	Year ended March 31, 2011
Cash inflow from operating activities	225,251	188,513
Cash outflow from investing activities	(183,608)	(604,495)
Cash inflow/(outflow) from financing activities	(40,107)	397,153
Net increase/(decrease) in cash and cash equivalents during the year	1,536	(18,829)
Effect of exchange rate changes on cash and cash equivalents	493	(124)
Add : Balance as at the beginning of the year	6,008	24,961
Balance as at the end of the year (refer note 14)	8,037	6,008

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

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

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place : New Delhi
Date : July 30, 2012

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel &
Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Notes to abridged consolidated financial statements

1. CORPORATE INFORMATION

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

Bharti Airtel together with its subsidiaries is hereinafter referred to as 'the Group'. The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, passive infrastructure services and direct to home services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 21 (Note 40 of the notes to the annual consolidated financial statements).

The services provided by the Group are disclosed in Note 5 under segment reporting.

The Group's principal shareholders as of March 31, 2012 are Bharti Telecom Limited and Singapore Telecommunication International Pte Limited.

(Note 1 of the notes to the annual consolidated financial statements)

2. BASIS OF PREPARATION

These abridged consolidated financial statements have been prepared, on the basis of the complete set of audited annual consolidated financial statements for the year ended March 31, 2012, prepared in accordance with International financial reporting standards (IFRS) as issued by the International Accounting Standard Board (IASB) for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the abridged consolidated financial statements are in accordance with the requirements of Clause 32 of the Listing requirements and to the extent applicable, Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956.

The annual consolidated financial statements were authorized for issue by the Board of Directors on May 2, 2012. The abridged consolidated financial statements were authorized for issue by the Board of Directors on July 30, 2012.

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

(Note 2 of the notes to the annual consolidated financial statements)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions used in preparing the consolidated financial statements are set out in note 4 of the notes to the annual consolidated financial statements.

5. SEGMENT REPORTING

The Group's operating segments are organized and managed separately through the respective business managers, according to the nature of products and services provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman and Managing Director of the Group (Chief operating decision maker).

Since the start of the commercial operations in October, 2008, 'Direct-to-home' DTH business has been making significant inroads into the overall business performance of the Group, accordingly, during the year ended March 31, 2012, the Group has decided to report its performance as a separate segment, earlier reported as part of 'Others' segment.

In line with the changes in the internal reporting during the year ended March 31, 2012, the Group has regrouped corporate headquarter's expenses/results, assets and liabilities relating to the Group's Africa operations with 'Africa mobile services' segment, earlier reported as part of 'Others' segment.

Further, during the year ended March 31, 2012, the Group has revised the presentation of expenses/results, assets and liabilities of corporate headquarter of the Group and other activities not allocated to the operating segments as 'Unallocated', earlier reported as part of 'Others' segment.

Segment comparatives have been restated to reflect the changes described above.

The revised reporting segments of the Group are as below:

Mobile Services India and South Asia (SA): These services cover voice and data telecom services provided through GSM technology in the geographies of India and South Asia (SA). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Mobile Services Africa: These services cover provision of voice and data telecom services offered to retail customers in Africa Continent. This also includes corporate headquarter costs of the Group's Africa operations which were earlier reported as part of 'Others' segment.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

Digital TV Services (formerly known as 'DTH Services'): This includes digital broadcasting services provided under the Direct-to-home platform. The same was earlier reported as part of 'Others' segment.

Airtel Business (formerly known as 'Enterprise Services'): These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Passive Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers.

Others: These comprise administrative and support services provided to other segments.

Notes to abridged consolidated financial statements

Summary of the segmental information as of and for the year ended March 31, 2012 is as follows:

Description	Mobile Services India & South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Passive Infra Services	Others	Unallocated	Eliminations	Consolidated
Segment revenue	403,091	198,265	37,271	44,541	12,960	95,109	3,117	-	(79,846)	714,508
Segment result	82,244	14,147	7,149	2,629	(7,198)	14,641	(416)	(9,792)	38	103,442
Segment capital employed	518,319	449,753	34,676	58,466	(19,511)	162,913	(375)	(669,574)	(859)	533,808

Summary of the segmental information as of and for the year ended March 31, 2011 is as follows:

Description	Mobile Services India & South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Passive Infra Services	Others	Unallocated	Eliminations	Consolidated
Segment revenue	363,400	130,834	36,324	41,463	7,760	85,555	2,741	-	(72,694)	595,383
Segment result	85,551	2,381	8,334	5,546	(5,181)	11,688	47	(9,714)	0	98,652
Segment capital employed	439,026	444,682	27,559	54,429	(11,944)	162,372	(439)	(598,444)	(1,010)	516,231

Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses ₹ 61,117 Mn and ₹ 63,765 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 508,113 Mn (USD 9.93 bn) and ₹ 460,966 Mn (USD 10.32 bn) as of March 31, 2012 and March 31, 2011, respectively.

(Note 6 of the notes to the annual consolidated financial statements)

6. BUSINESS COMBINATION/ACQUISITION OF NON-CONTROLLING INTEREST/DISPOSAL OF SUBSIDIARY

a) Acquisition of 100% interest in Bharti Airtel Africa B.V. (erstwhile Zain Africa B.V. ('Zain'))

The Group entered into a share purchase agreement with Zain International BV to acquire 100% equity interest in Zain Africa B.V. ('Zain') as of March 30, 2010 for USD 9 bn. The transaction was closed on June 8, 2010. With this acquisition, the Group has made an additional step towards its objective to expand globally and create its presence in the African market.

The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration was allocated to the net assets.

The goodwill recognized in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and Zain Africa B.V. and certain intangible assets such as one network arrangement, assembled work force, domain name and co-location agreement which have not been recognized separately as these do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets".

The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognized and non-controlling interest in Bharti Airtel Africa B.V. as of the date of acquisition, i.e., June 8, 2010.

(₹ Millions)			
Particulars	As determined as of June 7, 2011	As determined as of March 31, 2011	As determined on the date of acquisition
Purchase consideration			
Cash	374,091	374,091	374,091
Deferred consideration at fair value	36,565	47,786	47,786
Total (A)	410,656	421,877	421,877
Acquisition related cost (included in Selling, general and administrative expenses in the Group consolidated statement of comprehensive income)	1,417	1,417	1,417

(₹ Millions)			
Particulars	As determined as of June 7, 2011	As determined as of March 31, 2011	As determined on the date of acquisition
Recognised amount of Identifiable assets acquired and liabilities assumed			
Assets acquired			
Property, plant & equipments	104,925	122,002	126,271
Intangibles assets	97,934	81,036	81,035
Current assets	64,619	63,684	63,312
Liabilities assumed			
Non current liabilities	(76,356)	(76,182)	(75,543)
Current liabilities	(106,581)	(103,871)	(102,126)
Contingent liability (legal & tax cases)	(7,435)	(7,435)	(8,347)
Net identifiable assets (B)	77,106	79,234	84,602
Non controlling interest in Zain (C)	5,858	6,610	7,418
Goodwill* (A-B+C)	339,408	349,253	344,693

During the three months period ended June 30, 2011, the end of the measurement period, the Group completed the fair valuation of net assets acquired as at the acquisition date and settled the deferred purchase consideration after adjusting for the claims of ₹ 11,221 Mn identified subsequent to the acquisition date as per the Share Purchase Agreement. The change in the net assets acquired as determined as of March 31, 2011 is primarily on account of decrease in provisional fair valuation of tangible assets by ₹ 17,077 Mn, increase in provisional fair valuation of intangible assets by ₹ 16,898 Mn and balance decrease of ₹ 1,197 Mn is on account of change in fair valuation

of other assets and liabilities (including reduction in non controlling interest by ₹ 752 Mn). These have resulted in net reduction in goodwill by ₹ 9,845 Mn. Net depreciation and amortization expense (net of tax and non-controlling interest) of ₹ 429 Mn on account of finalization of fair valuation of tangible and intangible assets has been recognised in profit or loss on completion of the fair value of net assets acquired as at the acquisition date. The Group has assessed the above change as immaterial.

* Subsequent to the completion of the measurement period, the Group has identified certain errors post the acquisition date resulting into further reduction of Goodwill by ₹ 1,708 Mn (including reduction in deferred consideration by ₹ 211 Mn and net of non-controlling interest of ₹ 263 Mn) from ₹ 339,408 Mn to ₹ 337,700 Mn. The group has assessed the above change as immaterial for any restatement considerations.

None of the goodwill recognized is deductible for Income tax purposes.

From the date of acquisition, Bharti Airtel Africa B.V. has contributed revenue of ₹ 130,418 Mn and loss before tax of ₹ 3,843 Mn to the consolidated revenue and net profit before tax of the Group, respectively, for the year ended March 31, 2011.

The details of receivables acquired through business combination are as follows:

(₹ Millions)			
Particulars	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
As determined on the date of acquisition	12,607	17,833	(5,226)
As determined as of March 31, 2011	11,992	17,833	(5,841)
As determined as of June 7, 2011	11,802	17,833	(6,031)

Analysis of cash flows on acquisition

(₹ Millions)		
Particulars	Three months period ended June 30, 2011	Year ended March 31, 2011
Cash consideration paid (at exchange rate on the date of payment, including foreign exchange gain of ₹ 1,369 Mn for the three months period ended June 30, 2011 & ₹ 464 Mn for the year ended March 31, 2011)	24,985	384,300
Net cash acquired with the subsidiary	-	(13,159)
Investment in subsidiary, net of cash acquired (A) (included in cash flows from investing activities)	24,985	371,141
Transaction costs for the acquisition (B)* (included in cash flows from operating activities)	-	906
Total cash outflow in respect of business combination (A+B)	24,985	372,047

* Additional transaction cost for the acquisition of ₹ 511 Mn was incurred during the year ended March 31, 2010.

b) Acquisition of 70% effective interest in Airtel Bangladesh Limited (erstwhile Warid Telecom International Limited 'Warid')

The Group entered into a share purchase agreement with Warid Telecom International LLC to acquire 70% equity interest in Airtel Bangladesh Limited on January 12, 2010 for ₹ 13,912 Mn. The transaction was closed on February 25, 2010. With this acquisition, the Group has made an additional step towards its objective to expand its position in the South Asian market.

The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The goodwill recognized in the transaction consist largely of the synergies and economies of scale expected from the combined operation of the Group and Airtel Bangladesh Limited.

The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognized and the non-controlling interest in Airtel Bangladesh Limited as of February 25, 2010.

		(₹ Millions)
Particulars	As determined on the date of acquisition & as of February 24, 2011	
Purchase consideration		
Cash (A)		13,912
Acquisition related cost (included in Selling, general and administrative expenses in the Group Consolidated statement of comprehensive income)		541
Recognised amount of Identifiable assets acquired and liabilities assumed		
Assets acquired		
Property, plant & equipment		8,923
Intangibles		3,508
Cash and Deposits		14,205
Advances and Prepayments		233
Other Receivables		185
Liabilities assumed		
Non Current liabilities		(8,376)
Current liabilities		(8,548)
Contingent Liabilities		(219)
Net Identifiable assets (B)		9,911
Non Controlling Interest in Warid (C)		2,973
Goodwill (A-B+C)		6,974

None of the goodwill recognized is deductible for Income tax purposes.

As at the acquisition date, the Group fair valued the contingent liabilities and recognized Rs 219 Mn towards dispute with various tax authorities in Bangladesh.

The details of receivables acquired through business combination are as follows:

				(₹ Millions)
As determined as of date of the acquisition & as of February 24, 2011	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected	
Accounts Receivable	162	216	54	
Other Receivable	23	23	-	

Analysis of cash flows on acquisition

		₹ Millions)
Cash consideration paid		13,912
Net cash acquired with the subsidiary		(13,911)
Investment in subsidiary, net of cash acquired (A)		1
Transaction costs of the acquisition		
- During the year ended March 31, 2010 (B)		465
- During the year ended March 31, 2011 (C)		76
Total cash outflow in respect of business combination (A+B+C)		542

c) Acquisition of 100% interest in Airtel (Seychelles) Limited (erstwhile Telecom Seychelles Limited), Seychelles

The Group entered into a share purchase agreement with Seejay Cellular Limited to acquire 100% equity interest in Airtel (Seychelles) Limited on August 23, 2010 for ₹ 2,903 Mn. The transaction was closed on August 27, 2010. This acquisition is done for the Group's objective to expand its presence globally.

The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The goodwill recognized in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and Airtel (Seychelles) Limited.

During the three months period ended September 30, 2011, the end of the measurement period, the group has completed the fair valuation of net assets acquired as at the acquisition date. There are no changes in the fair valuation subsequent to March 31, 2011.

The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognized as of August 27, 2010.

		(₹ Millions)
Particulars	As determined on the date of acquisition & as of August 26, 2011	
Purchase consideration		
Cash (A)		2,903

Recognised amount of Identifiable assets acquired and liabilities assumed

		(₹ Millions)
Particulars	As determined as of March 31, 2011, and August 26, 2011	As determined on the date of acquisition
Assets acquired		
Property, plant & equipments	98	98
Intangibles assets	259	259
Current assets	294	294
Liabilities assumed		
Non current liabilities	(66)	(66)
Current liabilities	(283)	(377)
Net identifiable assets (B)	302	208
Non controlling interest (C)	-	-
Goodwill (A-B+C)	2,601	2,695

None of the goodwill recognized is deductible for Income tax purposes.

From the date of acquisition, Telecom Seychelles Limited has contributed revenue of ₹ 416 Mn and profit before tax of ₹ 176 Mn to the consolidated revenue and net profit before tax of the Group, respectively, for the year ended March 31, 2011.

The details of receivables acquired through business combination are as follows;

				(₹ Millions)
As determined as of date of acquisition, March 31, 2011 and August 26, 2011	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected	
Accounts Receivable	212	212	-	

Analysis of cash flows on acquisition

	(₹ Millions)
Cash consideration paid	2,903
Net cash acquired with the subsidiary	(53)
Investment in subsidiary, net of cash acquired (A) (included in cash flows from investing activities)	2,850
Transaction costs of the acquisition (included in cash flows from operating activities)	
- for the year ended March 31, 2011 (B)	Nil
Total in respect of business combinations (A+B)	2,850

d) Total consolidated revenue of the Group and its joint ventures and net profit before tax of the Group, its joint ventures and associates would have been ₹ 623,477 Mn and ₹ 74,084 Mn respectively, had all the acquisitions been effective for the full year ended March 31, 2011.

e) Acquisition of additional interest in Celtel Zambia Plc

On December 17, 2010, the Group acquired 17.47% of the voting shares of Celtel Zambia Plc increasing its ownership to 96.36%. A cash consideration of ₹ 5,601 Mn was paid to the non-controlling interest shareholders. The carrying value of the net assets of Celtel Zambia Plc (excluding Goodwill on the original acquisition) at this date was ₹ 8,479 Mn and the carrying value of the additional interest acquired was ₹ 1,481 Mn. The difference of ₹ 4,120 Mn between the consideration and the carrying value of the interest acquired has been recognized in 'Other components of equity'.

On completion of the fair value allocation to the identifiable assets (tangible and intangible) and liabilities of Zain Africa B.V. (Refer note 6(a)), the consequential decrease of ₹ 193 Mn in the carrying value of interest acquired in Celtel Zambia Plc has been recognized in 'Other components of equity' during the period.

f) Acquisition of additional interest in Airtel Networks Kenya Limited

On February 24, 2011, the Group acquired 5% of the voting shares of Airtel Networks Kenya Limited increasing its ownership to 100%. A cash consideration of ₹ 503 Mn was paid to the non-controlling interest shareholders. The carrying value of the net assets of Airtel Networks Kenya Limited (excluding Goodwill on the original acquisition) at this date was ₹ 662 Mn and the carrying value of the additional interest acquired was ₹ 33 Mn. The difference of ₹ 470 Mn between the consideration and the carrying value of the interest acquired has been recognized in 'Other components of equity'.

On completion of the fair value allocation to the identifiable assets (tangible and intangible) and liabilities of Zain Africa B.V. (Refer note 6(a)), the consequential increase of ₹ 93 Mn in the carrying value of interest acquired in Airtel Networks Kenya Limited has been recognized in 'Other components of equity' during the period.

g) Disposal of controlling interest in Aero Ventures Limited, Mauritius

On July 08, 2011, Aero Ventures Limited, Mauritius ('AVL') was incorporated as a wholly owned subsidiary of Network i2i Limited, a wholly owned subsidiary of the Company. The consideration for the issue of shares was satisfied through transfer of pre-delivery payment of USD 30.21 Mn, conversion of interest receivable of USD 0.12 Mn and payment of USD 19.64 Mn in cash.

On March 20, 2012, the entire holding in AVL was sold for ₹ 2,543 Mn (USD 50.60 Mn) resulting in gain of ₹ 13 Mn (USD 0.27 Mn), (net of transaction costs of ₹ 25 Mn (USD 0.49 Mn)), that has been recognised in the income statement. The company has not started the commercial operations till the date of sale.

AVL had a capital advance of ₹ 2,505 Mn (USD 49.84 Mn) and cash and cash equivalents of ₹ 18 thousands (USD 0.36 thousands) on the date of disposal.

(Note 7 of the notes to the annual consolidated financial statements)

7. REVENUE

	(₹ Millions)	
Particular	Year ended March 31, 2012	Year ended March 31, 2011
Service revenue	711,572	592,302
Sale of products	2,936	3,081
	714,508	595,383

8. OPERATING EXPENSES

	(₹ Millions)	
Particular	Year ended March 31, 2012	Year ended March 31, 2011
Access charges	97,361	74,718
Licence fees, revenue share and spectrum charges	61,099	52,600
Network operations cost	157,598	127,163
Employee costs	35,159	32,784
Selling, general and administrative expenses	126,310	107,743
Charity & donations	408	292
	477,935	395,300

Selling, general and administrative expenses include followings:

	(₹ Millions)	
Particular	Year ended March 31, 2012	Year ended March 31, 2011
Trading inventory consumption	9,389	8,169
Diminution in value of inventory	584	342
Provision for doubtful debts	3,863	2,613

(Note 8 of the notes to the annual consolidated financial statements)

9. DEPRECIATION AND AMORTISATION

	(₹ Millions)	
Particular	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation	105,426	86,980
Amortisation	28,255	15,086
	133,681	102,066

(Note 9 of the notes to the annual consolidated financial statements)

10. a) FINANCE INCOME AND COSTS

(₹ Millions)

Particular	Year ended March 31, 2012	Year ended March 31, 2011
Finance income		
Interest Income on securities held for trading	2	10
Interest Income on deposits	445	475
Interest Income on loans to joint ventures	49	23
Interest Income on others	423	398
Net gain on securities held for trading	1,639	1,196
Net gain on derivative financial instruments	85	1,434
	2,643	3,536
Finance costs		
Interest on borrowings	30,608	20,378
Unwinding of discount on provisions	446	176
Net exchange loss	5,233	3,112
Other finance charges	4,541	1,683
	40,828	25,349

"Interest income on others" include ₹ 340 Mn and ₹ 259 Mn towards unwinding of discount on other financial assets for the years ended March 31, 2012 and March 31, 2011, respectively.

"Other finance charges" comprise bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes ₹ 246 Mn and ₹ 175 Mn towards unwinding of discount on other financial liabilities for years ended March 31, 2012 and March 31, 2011, respectively.

(Note 10 of the notes to the annual consolidated financial statements)

10. b) During the years ended March 31, 2012 and March 31, 2011, the Group and its joint ventures have capitalized borrowing cost of ₹ 1,565 Mn and ₹ 4,314 Mn, respectively.

(Note 13 of the notes to the annual consolidated financial statements)

11. INCOME TAXES

(₹ Millions)

Particular	Year ended March 31, 2012	Year ended March 31, 2011
Current taxes expense	26,776	23,961
Deferred taxes expense/(income)	(4,174)	(6,171)
	22,602	17,790

During the years ended March 31, 2012 and March 31, 2011, the Group has recognised deferred tax asset of ₹ 2,455 Mn and ₹ Nil, respectively, on carry forward unused tax losses in respect of its subsidiaries. This recognition is based on current performance and the confidence/convincing evidence that management has, to generate sufficient taxable profits in future, which will be utilised to offset such carried forward tax losses.

During the year ended March 31, 2012, the Group has changed the trigger date for earlier years for certain business units enjoying income tax holiday under the Indian Income tax laws. Accordingly, Income tax credit of ₹ 903 Mn pertaining to earlier years has been recognized during the year ended March 31, 2012.

(Note 11 of the notes to the annual consolidated financial statements)

12. IMPAIRMENT REVIEWS

The Group tests goodwill for impairment annually on March 31 for Mobile services - Africa CGU and on September 30 for other CGUs and whenever there are indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. The impairment assessment is based on value in use calculations.

During current financial year, the testing didn't result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill has been allocated to the following CGU/Group of CGUs:

(₹ Millions)

Particular	As of March 31, 2012	As of March 31, 2011
Mobile Services - India & South Asia	37,813	37,789
Airtel business	4,611	4,050
Mobile Services - Africa	365,136	346,211
Total	407,560	388,050

The measurement of the cash generating units are founded on projections that are based on five to ten years, as applicable, financial plans that have been approved by management and are also used for internal purposes. The Group has used ten year plans for Mobile Services India & South Asia and Airtel business CGU's in view of the reasonable visibility of 10 years of Indian telecom market and consistent use of such robust ten year information for management reporting purpose. The planning horizon reflects the assumptions for short-to-mid term market developments. Cash flows beyond the planning period are extrapolated using appropriate growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

Key assumptions used in value-in-use calculations

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company, at the same time factors like higher churn, increased cost of subscriber acquisition may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate was estimated based on the average percentage of weighted average cost of capital for each CGU. Pre-tax discount rate used ranged from 10% to 20% (higher rate used for CGU 'Mobile Services - Africa').

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the forecasts included in the industry reports. The average growth rates used to extrapolate cash flows beyond the planning period ranged from 3% to 4.5% (higher rate used for CGU 'Mobile Services – Africa').

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Mobile Services – India & South Asia and Airtel Business, no reasonably possible change in any of the above key assumptions would cause the carrying amount of these units to exceed their recoverable amount. For Mobile Services – Africa CGU, the recoverable amount exceeds the carrying amount by approximately 4.5%. An increase of 0.52% in discount rate or reduction of 0.87% in growth rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU.

(Note 14 of the notes to the annual consolidated financial statements)

13. SHORT TERM INVESTMENTS

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Held for trading securities – quoted	16,141	6,125
Loans and receivables – fixed deposits with banks	1,991	99
	18,132	6,224

The market values of quoted investments were assessed on the basis of the quoted prices as at the date of statement of financial position. The book value for held for trading securities – quoted is same as the market value. Held for trading investments primarily comprises debt linked mutual funds and quoted certificate of deposits in which the Group and its joint ventures invests surplus funds to manage liquidity and working capital requirements.

The Group and its joint ventures have taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under Note 25.6 of the notes to the annual consolidated financial statements.

(Note 22 of the notes to the annual consolidated financial statements)

14. CASH AND CASH EQUIVALENTS

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Balances with banks	10,404	7,607
Cheques, drafts on hand	465	764
Cash in hand	712	468
Fixed deposits with banks	8,719	736
	20,300	9,575

For the purpose of the abridged consolidated cash flow statement, cash and cash equivalent comprise of following:-

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Balances with banks	10,404	7,607
Cheques, drafts on hand	465	764
Cash in hand	712	468
Fixed deposits with banks	8,719	736
Less :- Bank overdraft	(12,263)	(3,567)
	8,037	6,008

(Note 24 of the notes to the annual consolidated financial statements)

15. BORROWINGS

a) BAABV (erstwhile ZAIN) acquisition related borrowing:

Bharti Airtel acquired operations of 15 countries in Africa from ZAIN BV through its subsidiary Bharti Airtel International Netherlands BV with effect from June 8, 2010. The above acquisition was financed through loans taken from various banks. The loan agreements contain a negative pledge covenant that prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exit any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

(Note 25.6 of the notes to the annual consolidated financial statements)

b) The Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contain a negative pledge covenant that prevents the Company to create or allow to exit any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

(Note 25.6 of the notes to the annual consolidated financial statements)

c) During the year ended March 31, 2012, the Group has fallen short of meeting certain financial covenants with respect to loan agreements in one of its African subsidiaries. An irrevocable prepayment notice has been issued by the Subsidiary and has been duly acknowledged by the lender. Accordingly, it has reclassified the non-current portion of the outstanding amount of ₹ 4,279 Mn as of March 31, 2012, from non – current borrowing to current borrowing and expensed the entire unamortized debt origination cost of ₹ 192 Mn during the year ended March 31, 2012. The total outstanding balance of the loan is ₹ 6,477 Mn as of March 31, 2012.

(Note 25.9 of the notes to the annual consolidated financial statements)

16. DIVIDENDS PAID AND PROPOSED

(₹ Millions)

Particular	Year ended March 31, 2012	Year ended March 31, 2011
Declared and paid during the period: (including dividend distribution tax)		
Final dividend for 2010-11 and 2009-10: ₹ 1 per share of ₹ 5 each	4,411	4,428
Dividend on treasury shares	3	-
Proposed for approval at the annual general meeting (not recognised as a liability):		
Proposed dividend for 2011-12 and 2010-11: ₹ 1 per share of ₹ 5 each	3,798	3,798
Dividend distribution tax	616	616
	4,414	4,414

(Note 30 (iii) of the notes to the annual consolidated financial statements)

17. FOREIGN CURRENCY TRANSLATION RESERVE

During the year ended March 31, 2012, with respect to loan to its certain foreign subsidiaries, the Group has re-assessed the funding

requirements of these subsidiaries and accordingly amended the loan terms and re-designated these as permanent funding. Accordingly, these have been treated as part of its net investment in foreign operations in accordance with IAS 21 for recognition of foreign exchange differences. The exchange gain/loss arising on these loans from the date of such re-assessment has been recognised in other comprehensive income in the consolidated financial statements. Exchange loss of ₹ 24 Mn has been recognised in profit or loss for the year ended March 31, 2012 (Exchange loss of ₹ 771 Mn for the year ended March 31, 2011). Exchange loss of ₹ 1,617 Mn have been recognised in other comprehensive income for the year ended March 31, 2012 (Exchange loss of ₹ Nil for the year ended March 31, 2011).

(Note 30 (iv) of the notes to the annual consolidated financial statements)

18. RELATED PARTY TRANSACTIONS

Related party transactions represent transactions entered into by the Group with entities having significant influence over the Group, associates, joint ventures and other related parties. The transactions and balances with the following related parties for the years ended March 31, 2012 and March 31, 2011, respectively, are described below:

(₹ Millions)

Relationship	Year ended March 31, 2012			Year ended March 31, 2011		
	Significant influence entities	Associates	Other related parties	Significant influence entities	Associates	Other related parties
Purchase of assets	-	(3,010)	(1,907)	-	(3,577)	(1,508)
Sale/transfer of assets	-	0	-	-	6	-
Sale of Investment	-	-	-	-	-	224
Sale/Rendering of Services	1,049	9,081	88	1,096	39	162
Purchase/Receiving of Services	(582)	(2,274)	(3,259)	(719)	(1,875)	(2,264)
Loans to related party	-	172	-	-	200	-
Expenses incurred by the group on behalf of Related Party	-	23	16	-	46	19
Expenses incurred by Related Party for the group	(25)	-	(619)	-	-	(736)
Security deposit paid	-	-	82	-	-	522
Security deposit received	-	-	(8)	-	-	(352)
Interest Income on Loan	-	46	-	-	22	-
Dividend Paid	(2,319)	-	(266)	(2,317)	-	(259)
Closing Balances	351	(664)	969	413	(511)	1,199
Due from related parties	351	258	1,243	413	210	1,315
Due to related parties	-	(922)	(274)	-	(721)	(116)

Summary of transactions with Joint Ventures (JVs)*:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sale of fixed assets/retirement of bandwidth	654	244
Rendering of services	5,319	5,354
Receiving of services	(26,876)	(24,748)
Reimbursement of energy expenses	(15,058)	(12,215)
Security deposit/Advances paid	173	29
Security deposit/Advances received	-	(2,360)
Loan given	1,206	4,822
Closing balance*	11,085	6,307
Due from JVs	18,002	17,018
Due to JVs	(6,917)	(10,711)

* Transactions above have not been proportionated based on the equity holding in the respective JVs. Amount due from and due to JVs are included in the respective line items in the financial statements

- (1) Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is taken each year through examining the financial position of the related party and the market in which the related party operates.
- (2) The above information does not include ₹ 124 Mn and ₹ 107 Mn on account of donation given to Bharti Foundation and Satya Electoral Trust during the years ended March 31, 2012 and March 31, 2011 respectively.

Purchase of assets – includes primarily purchase of bandwidth, computer software, telephone instruments and network equipments.

Expenses incurred by/for the Group – include expenses in general and administrative nature.

Sale of services – represents billing for broadband, international long distance services, mobile, access and roaming services.

Purchase of services – includes primarily billing for broadband, international long distance services, management service charges, billing for passive infrastructure services and maintenance charges towards network equipments.

Payments made to key management personnel/non executive directors were as follows:

(₹ Millions)		
Particular	Year ended March 31, 2012	Year ended March 31, 2011
Short-Term employee benefits	307	356
Post-Employment benefits		
Defined Contribution Scheme	13	16
Defined Benefit Scheme*	-	-
Share-based payment**	-	221
	320	593

*As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to directors are not included above.

**It represents fair value of options granted during the year which has been considered for amortization over the vesting periods.

(Note 33 of the notes to the annual consolidated financial statements)

19. COMMITMENTS AND CONTINGENCIES

(i) Commitments

a. Capital commitments

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Contracts placed for future capital expenditure not provided for in the financial statements	157,179	191,905

The above includes ₹ 67,322 Mn as of March 31, 2012 (₹ 70,908 Mn as of March 31, 2011), pertaining to certain outsourcing agreements,

under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts i.e. between 2-10 years, since it is not possible for the Group to determine the extent of assets and services under the contract over the unexpired period. However, the actual charges/payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

The above also includes ₹ 912 Mn as of March 31, 2012, (₹ 3,833 Mn as of March 31, 2011), pertaining to Joint Ventures.

b. Guarantees

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Financial bank guarantees*	36,015	28,233
Guarantees to third parties	2,558	2,233

* The above includes corporate guarantees issued by the Company of ₹ 2,385 Mn and ₹ 2,425 Mn as of March 31, 2012 and March 31, 2011 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies.

(ii) Contingencies

(₹ Millions)		
Particular	As of March 31, 2012	As of March 31, 2011
Taxes, Duties and Other demands (under adjudication/appeal/dispute)		
- Sales Tax and Service Tax	10,495	6,491
- Income Tax	23,489	9,182
- Access Charges/Port Charges	4,821	3,941
- Customs Duty	3,083	2,642
- Entry Tax	4,293	3,872
- Stamp Duty	620	579
- Municipal Taxes	923	493
- DoT demands	3,370	1,073
- Other miscellaneous demands	1,410	1,869
- Claims under legal cases including arbitration matters	3,025	591
Total	55,529	30,733

The above also includes ₹ 1,537 Mn as of March 31, 2012, (₹ 108 Mn as of March 31, 2011), pertaining to Joint Ventures.

Post the Hon'ble Supreme Court Judgment on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realized and unrealized foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above.

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities. Currently, the Group and its joint ventures have operations in India, South Asia region and Africa region.

a) Sales and Service Tax

The claims for sales tax as of March 31, 2012 and as of March 31, 2011 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

The service tax demands as at March 31, 2012 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) Income Tax demand

Income tax demands under appeal mainly included the appeals filed by the Group before various appellate authorities against the disallowance of certain expenses being claimed under tax by income tax authorities, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges, etc. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

c) Access charges (Interconnect Usage Charges)/Port charges

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the guidelines issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the guidelines would need to be paid by the Company.

Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised. Accordingly, no amounts have been accrued although some have been paid under protest.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on Aug 30, 2010, Hon'ble Supreme Court sought the

quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgment in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from 29th May 2010. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

d) Customs Duty

The custom authorities, in some states, demanded ₹ 3,083 Mn as of March 31, 2012 (₹ 2,642 Mn as of March 31, 2011) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

e) Entry Tax

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised. The amount under dispute as of March 31, 2012 is ₹ 4,293 Mn (₹ 3,872 Mn as of March 31, 2011).

f) DoT Demands

- i. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.
- ii. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.
- iii. DoT demands also include the following contentious matters:-
 - a. In respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address/Identity in a mobility circle.

- b. In respect of invalid calling line identification (CLI) appearing in calls made to BSNL for certain promotional business calls in a mobility Circle
- c. In respect of alleged non compliance to certain license conditions related to renting/transfer of sim cards in a mobility circle.
- d. In respect of provision of IPLC services to a non-licensed entity which has directly sold the same to a customer located in India in Airtel Business.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

During January, 2012, DoT has issued a show cause notice to the Company for alleged short payment of Licence Fee of ₹ 3,019 Mn including interest for the year 2006-07 and 2007-08. The company has submitted its reply against the same and is confident that there will be no amounts payable in this regard.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited (formerly known as Celtel Nigeria Limited), an indirect subsidiary of the Company, is a defendant in several cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire a 65% controlling stake in Airtel Networks Limited in 2006, the selling shareholders were obliged under the pre-emption right provision contained in the shareholders agreement dated 30 April 2002 (the "Shareholders Agreement") to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders agreement and the shares were acquired by Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. EWL has filed a number of suits before courts in Nigeria and commenced arbitral proceedings in Nigeria contesting the acquisition. The Company's indirect subsidiary, Bharti Airtel Nigeria BV, which is the current owner of 65.7% of the equity in Airtel Networks Limited has been defending these cases vigorously since the arbitration was commenced.

On 22 December 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that

the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. The Tribunal has ordered a damages hearing, however, no date has been set. On 3 February 2012, Bharti Airtel Nigeria BV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, Bharti Airtel Nigeria BV has filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award has been determined. This application to set aside the Partial Final Award is to be heard by the Lagos State High Court on June 4, 2012.

Given the low probability of any material adverse effect to the Company's consolidated financial position and the indemnities in the share sale agreement concluded with the Zain Group in 2010, the Company determined that it was appropriate not to provide for this matter in the financial statements. Further, the estimate of the realistic financial impact of any damages, if any, cannot be made at this time.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The court of first instance has recently held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the 65.7 percent held by Bharti Airtel on a fully diluted basis in Airtel Networks Limited, the Company believes that there are good grounds to appeal the first instance judgment. The Company has already filed a Notice of Appeal and made two further applications before the Federal High Court for a stay of execution of judgment pending appeal and a motion for injunction, both applications were heard on 13 March 2012 and the Ruling is reserved for 7 May 2012.

(Note 35 of the notes to the annual consolidated financial statements)

20. COMMITMENTS UNDER LEASE ARRANGEMENTS

The Group's future minimum lease payments obligation under the non-cancellable operating leases as of March 31, 2012 and March 31, 2011 is ₹ 175,535 Mn and ₹ 185,502 Mn, respectively.

The Group's future minimum lease payments obligation under the finance leases as of March 31, 2012 and March 31, 2011 is ₹ 1 Mn and ₹ 1,553 Mn, respectively.

(Note 34 of the notes to the annual consolidated financial statements)

21. COMPANIES IN THE GROUP, JOINT VENTURES AND ASSOCIATES

The Group conducts its business through Bharti Airtel and its directly and indirectly held subsidiaries, joint ventures and associates, which are as follows:-

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
1	Bharti Airtel Services Limited	India	Administrative support to Bharti Group and trading activities	100	100
2	Network i2i Limited	Mauritius	Submarine Cable System	100	100
3	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100
4	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100
5	Bharti Airtel (Canada) Limited	Canada	Telecommunication services	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100
7	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	Investment Company	100	100
8	Bharti Airtel Lanka (Pvt) Limited	Sri Lanka	Telecommunication services	100	100
9	Bharti Infratel Lanka (Pvt) Limited	Sri Lanka	Passive infrastructure Services	100	100
10	Bharti Hexacom Limited	India	Telecommunication services	70	70
11	Bharti Infratel Limited ("BIL")	India	Passive infrastructure Services	86.09	86.09
12	Bharti Infratel Ventures Limited("BIVL")	India	Passive infrastructure Services	86.09	86.09
13	Bharti Telemedia Limited	India	Direct To Home services	95	95
14	Airtel Bangladesh Limited (formerly Warid Telecom International Limited)	Bangladesh	Telecommunication services	70	70
15	Bharti International (Singapore) Pte. Ltd	Singapore	Telecommunication services	100	100
16	Bharti Airtel International (Netherlands) B.V	Netherlands	Investment Company	100	100
17	Airtel M Commerce Services Limited	India	Mobile commerce services	100	100
18	Bharti Airtel International (Mauritius) Ltd	Mauritius	Investment Company	100	100
19	Bharti Airtel Japan Kabushiki Kaisha	Japan	Telecommunication services	100	100
20	Bharti Airtel France SAS	France	Telecommunication services	100	100
21	Aero Ventures Limited#	Mauritius	Aviation Management Services	-	-
22	Bangladesh Infratel Networks Limited	Bangladesh	Passive infrastructure Services	100	-
23	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	100
24	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	100
25	Airtel Burkina Faso S.A. (Formerly known as Celtel Burkina Faso S.A.)	Burkina Faso	Telecommunication services	100	100
26	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
27	Celtel Tchad S.A.	Chad	Telecommunication services	100	100
28	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
29	Celtel Gabon S.A.	Gabon	Telecommunication services	90	90
30	Bharti Airtel Cameroon Holdings B.V.	Netherlands	Investment Company	100	100
31	Celtel Cameroon S.A.	Cameroon	Telecommunication services	100	100
32	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
33	Airtel Congo S.A. (Formerly known as Celtel Congo S.A.)	Congo Brazzaville	Telecommunication services	90	90
34	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100
35	Partnership Investments Sprl	Democratic Republic of Congo	Investment Company	100	100
36	Celtel Congo (RDC) S.a.r.l.	Democratic Republic of Congo	Telecommunication services	98.5	98.5
37	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	100
38	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	100
39	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	100
40	Airtel Networks Kenya Limited (Formerly known as Celtel Kenya Ltd.)	Kenya	Telecommunication services	100	100
41	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	100
42	Airtel Malawi Limited (Formerly known as Celtel Malawi Ltd)	Malawi	Telecommunication services	100	100
43	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	100
44	Celtel Niger S.A.	Niger	Telecommunication services	90	90

Contd...

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
45	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	100
46	Airtel (SL) Limited	Sierra Leone	Telecommunication services	100	100
47	Celtel Zambia Plc	Zambia	Telecommunication services	96.36	96.36
48	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	100
49	Airtel Uganda Limited (Formerly known as Celtel Uganda Ltd.)	Uganda	Telecommunication services	100	100
50	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	100
51	Airtel Tanzania Limited (Formerly known as Celtel Tanzania Ltd.)	Tanzania	Telecommunication services	60	60
52	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	100
53	Channel Sea Management Company Mauritius Limited	Mauritius	Investment Company	100	100
54	Zebrano (Mauritius) Limited (Formerly known as Zain (IP) Mauritius Limited)	Mauritius	Investment Company	100	100
55	Montana International S.A.	Mauritius	Investment Company	100	100
56	Airtel Madagascar S.A. (Formerly Celtel Madagascar S.A.)	Madagascar	Telecommunication services	100	100
57	Bharti Airtel Nigeria Holdings B.V.	Netherlands	Investment Company	100	100
58	MSI-Celtel Nigeria Limited	Nigeria	Investment Company	100	100
59	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	100
60	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	100
61	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	100
62	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	Ghana	Telecommunication services	75	75
63	Bharti Airtel Acquisition Holdings B.V.	Netherlands	Investment Company	100	100
64	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	100
65	Airtel Networks Limited (Formerly known as Celtel Nigeria Ltd.)	Nigeria	Telecommunication services	65.7	65.7
66	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
67	Airtel Mobile Commerce Limited (formerly known as Zap Trust Company Ltd. (Malawi))	Malawi	Mobile commerce services	100	100
68	Airtel Mobile Commerce (Kenya) Limited (formerly known as Zap Trust Company Ltd. (Kenya))	Kenya	Mobile commerce services	100	100
69	Airtel Mobile Commerce (Ghana) Limited (formerly known as Zap Trust Company Ltd. (Ghana))	Ghana	Mobile commerce services	100	100
70	Celtel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100
71	ZMP Limited	Zambia	Mobile commerce services	100	100
72	Airtel Mobile Commerce (SL) Limited (formerly known as Zap Trust Company (SL) Ltd.)	Sierra Leone	Mobile commerce services	100	100
73	Airtel Mobile Commerce Tchad S.a.r.l. (formerly known as Zap Mobile Commerce Tchad S.a.r.l.)	Chad	Mobile commerce services	100	100
74	Airtel Mobile Commerce B.V. (formerly known Zap Mobile Commerce B.V.)	Netherlands	Investment Company	100	100
75	Mobile Commerce Gabon S.A.	Gabon	Mobile commerce services	100	100
76	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	100
77	Airtel Money Niger S.A. (formerly known Zap Niger S.A. (Niger))	Niger	Mobile commerce services	100	100
78	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
79	Airtel Mobile Commerce Holdings B.V. (formerly known as Zap Holdings B.V.)	Netherlands	Investment Company	100	100
80	Zap Trust Company Nigeria Ltd.	Nigeria	Mobile commerce services	100	100
81	Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
82	Airtel (Seychelles) Limited (formerly known as Telecom (Seychelles) Limited)	Seychelles	Telecommunication services	100	100

Contd...

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
83	Airtel Mobile Commerce Tanzania Limited (formerly known as Zap Trust Company Tanzania Ltd.)	Tanzania	Mobile commerce services	100	100
84	Airtel Mobile Commerce Uganda Limited (formerly known as Zap Trust Company Uganda Ltd.)	Uganda	Mobile commerce services	100	100
85	Uganda Towers Limited	Uganda	Infrastructure sharing services	100	100
86	Airtel DTH Services Ghana Limited	Ghana	Direct To Home services	100	100
87	Airtel DTH Services Malawi Limited	Malawi	Direct To Home services	100	100
88	Airtel DTH Services Uganda Limited	Uganda	Direct To Home services	100	100
89	Africa Towers N.V.	Netherlands	Investment Company	100	100
90	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	100	100
91	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	100
92	Airtel Direct-to-Home Services (Kenya) Limited (formerly known as Airtel DTH Services (Kenya) Limited)	Kenya	Direct To Home services	100	100
93	Airtel DTH Services (SL) Limited	Sierra Leone	Direct To Home services	100	100
94	Airtel DTH Service Burkina Faso S.A.	Burkina Faso	Direct To Home services	100	100
95	Airtel DTH Services Congo S.A.	Congo Brazzaville	Direct To Home services	100	100
96	Airtel DTH Services Madagascar S.A.	Madagascar	Direct To Home services	100	100
97	Airtel DTH Services Niger S.A.	Niger	Direct To Home services	100	100
98	Airtel DTH Services Nigeria Limited	Nigeria	Direct To Home services	100	100
99	Airtel DTH Services Tchad S.A.	Chad	Direct To Home services	100	100
100	Airtel DTH Services Tanzania Limited	Tanzania	Direct To Home services	100	100
101	Bharti DTH Services Zambia Limited	Zambia	Direct To Home services	100	100
102	Airtel Towers (SL) Company Limited	Sierra Leone	Infrastructure sharing services	100	100
103	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	100	100
104	Congo Towers S.A.	Congo Brazzaville	Infrastructure sharing services	100	100
105	Kenya Towers Limited	Kenya	Infrastructure sharing services	100	100
106	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	100
107	Mobile Commerce Congo S.A.	Congo Brazzaville	Mobile commerce services	100	100
108	Niger Towers S.A.	Niger	Infrastructure sharing services	100	100
109	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	100	100
110	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	100
111	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	100	100
112	Bharti Airtel Developers Forum Limited (formerly known as Zain Developers Forum)	Zambia	Investment Company	100	100
113	Zambian Towers Limited	Zambia	Infrastructure sharing services	100	100
114	Airtel Money (RDC) S.p.r.l.	Democratic Republic of Congo	Mobile commerce services	100	100
115	Airtel Mobile Commerce Burkina Faso S.A. (formerly known as Zap Trust Burkina Faso S.A.)	Burkina Faso	Mobile commerce services	100	100
116	Airtel DTH Services Congo (RDC) S.p.r.l.	Democratic Republic of Congo	Direct to Home Services	100	-
117	Airtel DTH Services Gabon S.A.	Gabon	Direct to Home Services	100	-
118	Congo RDC Towers S.p.r.l.	Democratic Republic of Congo	Infrastructure sharing services	100	-
119	Gabon Towers S.A.	Gabon	Infrastructure sharing services	100	-
120	Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	100	-
121	Bharti Airtel Cameroon B.V. (formerly known as Bharti Airtel Rwanda Holdings B.V.)	Netherlands	Investment Company	100	-
122	Airtel Rwanda Limited	Rwanda	Telecommunications company	100	-
123	Africa Towers Services Limited	Kenya	Infrastructure sharing services	100	-
124	Rwanda Towers Limited	Rwanda	Infrastructure sharing services	100	-

Please refer note 38 (g) of the notes to the annual consolidated financial statements

S. no	Name of associates	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
1	Bharti Teleports Limited	India	Uplinking channels for broadcasters	49	49
2	Alcatel Lucent Network Management Services India Ltd	India	Telecommunication services	26	26
3	Tanzania Telecommunications Company Limited	Tanzania	Telecommunication services	35	35

S. no	Name of joint ventures	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
1	Indus Towers Limited *	India	Passive infrastructure services	36.16*	36.16*
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	14.28	14.28

* Bharti Infratel Limited ("BIL"), in which the Group has 86.09% equity interest, owns 42% of Indus Towers Limited.

(Note 40 of the notes to the annual consolidated financial statements)

22. Bharti Infratel Limited ('BIL') demerged its undertaking comprising passive telecom infrastructure in 12 circles and merged the same with Bharti Infratel Ventures Limited (wholly owned subsidiary) through scheme of arrangement approved by the Hon'ble High court of Delhi. The Scheme did not have any impact on the consolidated financial results of the Group prepared in accordance with the IFRS.

On May 31, 2011, the Subsidiary Company "Bharti Infratel Ventures Limited" filed a scheme of merger before Hon'ble High Court of Delhi whereby the Subsidiary Company will merge with Indus Towers Limited, a joint venture company of the Group, with appointed date as April 1, 2009. The carrying value of assets and liabilities of the subsidiary company as of March 31, 2012 is ₹ 53,518 Mn and ₹ 9,983 Mn respectively. Similarly, under the respective merger scheme, the other joint venturers will also contribute in proportion to their shareholding.

(Note 42 of the notes to the annual consolidated financial statements)

23. The complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") are available at the Company's website <http://www.airtel.in>.

24. The following accounting policies have been changed and corresponding comparative figures have been reclassified where

appropriate to conform to the current year's presentation in these financial statements:

- (i) During the year ended March 31, 2012, considering the practice followed by global telecom companies and significant volatility in foreign currency exchange rates, the Group has changed the presentation of statement of comprehensive income from a single statement to two statements to improve the understandability of the effect of foreign currency translation on the Group's financial performance.
- (ii) During the comparative previous year ended March 31, 2011, 'other income' and 'non-operating expenses' were presented after 'Profit/(Loss) from operating activities' in the income statement. The Group has reassessed the presentation and reclassified these as 'other operating income'/'revenue' and to 'operating expenses', respectively. The amounts involved are not material.

Further previous year's figures in the notes to consolidated financial statements have been reclassified / restated, wherever required to confirm to the current year's presentation.

The above do not affect previously reported net profit or shareholders' equity.

(Note 43 of the notes to the annual consolidated financial statements)

STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012

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(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than in subsidiary	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
1	Bharti Hexacom Limited	(a) (h)	India	INR	March 31, 2012	1.000	2,500	29,391	40,334	8,443	7,067	33,791	7,657	1,639	6,018	145
2	Nework/21 Limited	(a)	Mauritius	USD	March 31, 2012	51.157	460	5,538	20,446	14,448	-	3,838	2,740	95	2,645	-
3	Bharti Airtel Services Limited	(a)	India	INR	March 31, 2012	1.000	1	(601)	1,966	2,566	46	4,400	(143)	13	(156)	-
4	Bharti Infratel Limited ("BIL")	(a)	India	INR	March 31, 2012	1.000	5,808	141,537	179,851	32,506	802	41,582	6,867	2,375	4,492	-
5	Bharti Telemidia Limited	(a)	India	INR	March 31, 2012	1.000	102	(19,805)	23,418	43,121	240	12,959	(7,611)	-	(7,611)	-
6	Airtel Bangladesh Limited (formerly Wari Telecom International Limited)	(a)	Bangladesh	BDT	March 31, 2012	0.626	28,774	(26,114)	19,755	17,095	-	6,588	(4,280)	34	(4,314)	-
7	Bharti Airtel (UK) Limited	(a)	United Kingdom	GBP	March 31, 2012	81.799	27	238	514	249	-	34	(94)	(6)	(88)	-
8	Bharti Airtel (Canada) Limited	(a)	Canada	CAD	March 31, 2012	51.070	4	(67)	2	65	-	1	(5)	-	(5)	-
9	Bharti Airtel Lanka (Pvt) Limited	(a)	Sri Lanka	LKR	March 31, 2012	0.399	2,097	(9,527)	7,411	14,841	-	2,503	(2,484)	3	(2,487)	-
10	Bharti Airtel Holdings (Singapore) Pte Ltd	(a)	Singapore	SGD	March 31, 2012	40.520	19,116	(494)	19,701	1,079	-	-	(2)	(34)	32	-
11	Bharti Airtel (USA) Limited	(a)	United States of America	USD	March 31, 2012	51.157	0	(304)	778	1,082	-	426	(40)	10	(50)	-
12	Bharti Infratel Ventures Limited ("BVL")	(a)	India	INR	March 31, 2012	1.000	1	53,388	64,244	10,855	-	4,649	167	57	110	-
13	Bharti Airtel (Hongkong) Limited	(a)	Hongkong	HKD	March 31, 2012	6.554	33	(136)	267	372	-	33	(99)	2	(101)	-
14	Bharti International (Singapore) Pte Ltd	(a)	Singapore	USD	March 31, 2012	51.157	6,323	(5,509)	142,502	141,688	109,090	3,878	(1,847)	(3)	(1,844)	-
15	Bharti Infratel Lanka (Pvt) Limited	(e)	Sri Lanka	LKR	March 31, 2012	0.399	-	-	-	-	-	-	-	-	-	-
16	Bharti Airtel Japan Kabushiki Kisha	(a)	Japan	JPY	March 31, 2012	0.624	0	4	22	18	-	2	(16)	1	(17)	-
17	Bharti Airtel France SAS	(a)	France	EUR	March 31, 2012	68.340	1	64	69	4	-	21	14	5	9	-
18	Airtel M Commerce Services Limited	(a)	India	INR	March 31, 2012	1.000	500	(465)	514	479	-	10	(444)	-	(444)	-
19	Bharti Airtel International (Mauritius) Ltd	(a)	Mauritius	INR	March 31, 2012	1.000	4,832	(4)	14,011	9,183	4,825	-	(0)	-	(0)	-
20	Bangladesh Infratel Networks Limited	(e)	Bangladesh	BDT	March 31, 2012	0.626	0	-	0	-	-	-	-	-	-	-
21	Airtel (Seychelles) Limited (formerly known as Telecom (Seychelles) Limited)	(b)	Seychelles	SCR	December 31, 2011	3.654	4	287	526	235	-	753	263	28	235	-
22	Airtel (SL) Limited	(b)	Sierra Leone	SLL	December 31, 2011	0.012	94	(790)	4,360	5,056	-	3,038	607	(448)	1,055	-
23	Airtel Burkina Faso S.A. (Formerly known as Cotel Burkina Faso S.A.)	(a)	Burkina Faso	XOF	December 31, 2011	0.104	260	4,700	15,670	10,710	-	7,510	1,861	728	1,133	2,101
24	Airtel Congo S.A. (Formerly known as Cotel Congo S.A.)	(b)	Congo Brazzaville	XAF	December 31, 2011	0.104	541	2,403	13,495	10,552	-	8,796	(954)	8	(962)	-
25	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	(a)	Ghana	GHC	December 31, 2011	28.780	4,614	(13,166)	18,090	26,642	-	8,426	(4,953)	(1,497)	(3,456)	-
26	Airtel Madagascar S.A. (Formerly Cotel Madagascar S.A.)	(a)	Madagascar	MGA	December 31, 2011	0.024	20	(1,643)	7,028	8,651	-	4,181	(198)	70	(268)	-
27	Airtel Malawi Limited (Formerly known as Cotel Malawi Ltd)	(b)	Malawi	MWK	December 31, 2011	0.308	0	4,294	12,225	7,931	-	7,596	1,643	550	1,093	-
28	Airtel Networks Kenya Limited (Formerly known as Cotel Kenya Ltd.)	(a)	Kenya	KES	December 31, 2011	0.617	15,573	(20,795)	19,245	24,466	-	6,943	(4,307)	132	(4,439)	-
29	Airtel Networks Limited (Formerly known as Cotel Nigeria Ltd.)	(a)	Nigeria	NGN	December 31, 2011	0.329	66	16,100	135,189	119,023	-	67,026	(6,210)	(170)	(6,040)	-
30	Airtel Rwanda Limited	(c)	Rwanda	RWF	December 31, 2011	0.084	-	(21)	1,518	1,539	-	-	(21)	-	(21)	-
31	Airtel Tanzania Limited (Formerly known as Cotel Tanzania Ltd.)	(a)	Tanzania	TZS	December 31, 2011	0.032	1,318	(2,034)	23,542	24,258	-	11,646	(3,740)	(819)	(2,921)	-
32	Airtel Uganda Limited (Formerly known as Cotel Uganda Ltd.)	(a)	Uganda	UGS	December 31, 2011	0.020	257	(2,597)	10,279	12,619	-	5,240	(1,566)	-	(1,566)	-
33	Cotel Congo (RDC) S.a.r.l.	(b)	Democratic Republic of Congo	CDF	December 31, 2011	0.055	6	7,161	42,136	34,969	-	18,317	(3,523)	24	(3,547)	-
34	Cotel Gabon S.A.	(a)	Gabon	XAF	December 31, 2011	0.104	624	7,598	15,950	77,728	-	14,194	5,353	1,156	4,197	1,040
35	Cotel Niger S.A.	(b)	Niger	XOF	December 31, 2011	0.104	156	5,187	14,644	9,301	-	7,903	1,147	516	631	-

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Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
36	Celtel Tchad S.A.	(a)	Chad	XAF	December 31, 2011	0.104	395	(1,639)	13,361	14,605	-	5,093	(1,096)	76	(1,172)	-
37	Celtel Zambia Plc	(a)(g)(i)	Zambia	ZMK	March 31, 2012	0.010	10	12,000	21,039	9,029	-	18,843	6,046	2,998	3,048	1,008
38	Africa Towers NV.	(c)	Netherlands	USD	March 31, 2012	51.157	3	(6)	163	166	-	-	(6)	-	(6)	-
39	Airtel Mobile Commerce BV. (formerly known as Zap Mobile Commerce B.V.)	(c)	Netherlands	USD	March 31, 2012	51.157	1	(0)	130	129	-	-	(0)	-	(0)	-
40	Airtel Mobile Commerce Holdings B.V. (formerly known as Zap Holdings B.V.)	(c)	Netherlands	USD	March 31, 2012	51.157	1	(0)	1	-	-	-	0	-	0	-
41	Bharti Airtel Acquisition Holdings B.V.	(b)	Netherlands	USD	March 31, 2012	51.157	1	587	587	-	-	-	0	-	0	-
42	Bharti Airtel Africa BV.	(b)	Netherlands	USD	March 31, 2012	51.157	40	50,436	238,133	187,657	-	-	1,543	-	1,543	-
43	Bharti Airtel Burkina Faso Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(160)	1,357	1,516	-	-	(15)	10	(25)	-
44	Bharti Airtel Cameroon BV. (formerly known as Bharti Airtel Rwanda Holdings B.V.)	(e)	Netherlands	USD	March 31, 2012	51.157	-	-	-	-	-	-	-	-	-	-
45	Bharti Airtel Cameroon Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1)	1	1	-	-	-	-	-	-
46	Bharti Airtel Chad Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	75	5,744	5,744	5,668	-	-	200	73	127	-
47	Bharti Airtel Congo Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	2,537	2,814	276	-	-	7	3	4	-
48	Bharti Airtel DTH Holdings B.V.	(e)	Netherlands	USD	March 31, 2012	51.157	-	-	-	-	-	-	-	-	-	-
49	Bharti Airtel Gabon Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	31	1,368	1,336	-	-	(35)	-	(35)	-
50	Bharti Airtel Ghana Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1,097)	26,549	27,645	-	-	(683)	-	(683)	-
51	Bharti Airtel Kenya BV	(c)	Netherlands	USD	March 31, 2012	51.157	1	(886)	40,801	41,686	-	-	0	-	0	-
52	Bharti Airtel Kenya Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1,568)	41,687	43,253	-	-	(1,032)	-	(1,032)	-
53	Bharti Airtel Madagascar Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(131)	9,460	9,589	-	-	(143)	-	(143)	-
54	Bharti Airtel Malawi Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(171)	3,269	3,439	-	-	37	-	37	-
55	Bharti Airtel Mali Holdings B.V.	(c) (k)	Netherlands	USD	March 31, 2012	51.157	1	182	508	325	508	-	(0)	-	(0)	-
56	Bharti Airtel Niger Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	2,856	3,447	590	-	-	286	20	265	-
57	Bharti Airtel Nigeria BV.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(16,083)	70,159	86,241	-	-	(1,770)	107	(1,877)	-
58	Bharti Airtel Nigeria Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	2	3	-	-	-	(0)	-	(0)	-
59	Bharti Airtel Nigeria Holdings II BV.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(92)	86,152	86,244	-	-	(0)	-	(0)	-
60	Bharti Airtel RDC Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(498)	15,949	16,446	-	-	(145)	43	(188)	-
61	Bharti Airtel Services BV.	(c)	Netherlands	USD	March 31, 2012	51.157	1	51	211	159	-	54	3	-	3	-
62	Bharti Airtel Sierra Leone Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(238)	3,949	4,186	-	-	(43)	8	(52)	-
63	Bharti Airtel Tanzania BV	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1,766)	9,928	11,692	2,259	-	49	34	15	-
64	Bharti Airtel Uganda Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(2,399)	16,726	19,124	-	-	(449)	-	(449)	-
65	Bharti Airtel Zambia Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	11,203	12,082	877	-	-	973	53	920	-
66	Bharti (Mauritius) Holdings Limited	(c)	Mauritius	USD	December 31, 2011	51.157	-	952	5,191	4,239	0	-	164	27	137	-
67	Indian Ocean Telecom Limited	(c)	Jersey	USD	March 31, 2012	51.157	128	624	753	2	-	-	(1)	-	(1)	-
68	Zebrano (Mauritius) Limited (Formerly known as Zain (IP) Mauritius Limited)	(c)	Mauritius	USD	March 31, 2012	51.157	2	55	1,616	1,559	-	-	58	0	58	-
69	Airtel Mobile Commerce (Ghana) Limited (formerly known as Zap Trust Company Ltd. (Ghana))	(c)	Ghana	GHC	March 31, 2012	28.780	2	(0)	41	39	-	-	(0)	-	(0)	-
70	Airtel Mobile Commerce (Kenya) Limited (formerly known as Zap Trust Company Ltd. (Kenya))	(c)	Kenya	KES	August 31, 2011	0.617	0	(0)	125	125	-	-	(0)	-	(0)	-
71	Airtel Mobile Commerce (SL) Limited (formerly known as Zap Trust Company (SL) Ltd.)	(c)	Sierra Leone	SLL	November 30, 2011	0.012	-	-	13	13	-	-	-	-	-	-
72	Airtel Mobile Commerce Burkina Faso S.A. (formerly known as Zap Trust Burkina Faso S.A.)	(e)	Burkina Faso	XOF	September 30, 2011	0.104	-	-	-	-	-	-	-	-	-	-

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(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
73	Airtel Mobile Commerce Limited (formerly known as Zap Trust Company Ltd. (Malawi))	(c)	Malawi	MWK	June 30, 2011	0.308	0	(0)	10	10	-	-	(0)	-	(0)	-
74	Airtel Mobile Commerce Madagascar S.A.	(c)	Madagascar	MGA	December 31, 2011	0.024	0	-	5	5	-	-	-	-	-	-
75	Airtel Mobile Commerce Tanzania Limited (formerly known as Zap Trust Company Tanzania Ltd.)	(c)	Tanzania	TZS	November 30, 2011	0.032	-	-	-	-	-	-	-	-	-	-
76	Airtel Mobile Commerce Tchad S.a.r.l. (formerly known as Zap Mobile Commerce Tchad S.a.r.l.)	(e)	Chad	XAF	April 30, 2011	0.104	-	-	-	-	-	-	-	-	-	-
77	Airtel Mobile Commerce Uganda Limited (formerly known as Zap Trust Company Uganda Ltd.)	(c)	Uganda	UGS	April 30, 2011	0.020	0	(0)	36	36	-	-	(0)	-	(0)	-
78	Airtel Money (RDC) S.p.r.L.	(c)	Republic of Congo	USD	June 30, 2011	51.157	128	(34)	159	65	-	1	(26)	-	(26)	-
79	Airtel Money Niger S.A. (formerly known as Zap Niger S.A. (Niger))	(c)	Niger	XOF	August 31, 2011	0.104	1	(0)	61	60	-	-	(0)	-	(0)	-
80	Mobile Commerce Congo S.A.	(e)	Congo Brazzaville	XAF	September 30, 2011	0.104	-	-	-	-	-	-	-	-	-	-
81	Mobile Commerce Gabon S.A.	(e)	Gabon	XAF	October 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
82	Zap Trust Company Nigeria Ltd.	(e)	Nigeria	NGN	November 30, 2011	0.329	-	-	-	-	-	-	-	-	-	-
83	ZMP Limited	(c)	Zambia	ZMK	August 31, 2011	0.010	19	(100)	83	164	-	8	(100)	-	(100)	-
84	Africa Towers Services Limited	(c)	Kenya	KES	December 31, 2011	0.617	0	(0)	-	0	-	-	(0)	-	(0)	-
85	Airtel Towers (Ghana) Limited	(e)	Ghana	GHC	December 31, 2011	28.780	-	-	-	-	-	-	-	-	-	-
86	Airtel Towers (SL) Company Limited	(e)	Sierra Leone	SLL	December 31, 2011	0.012	-	-	-	-	-	-	-	-	-	-
87	Burkina Faso Towers S.A.	(e)	Burkina Faso	XOF	December 31, 2011	0.104	1	0	1	-	-	-	0	-	0	-
88	Congo RDC Towers S.p.r.L.	(e)	Democratic Republic of Congo	USD	December 31, 2011	51.157	-	-	-	-	-	-	-	-	-	-
89	Congo Towers S.A.	(c)	Congo Brazzaville	XAF	December 31, 2011	0.104	1	(0)	1	-	-	-	(0)	-	(0)	-
90	Gabon Towers S.A.	(c)	Gabon	XAF	December 31, 2011	0.104	1	(0)	1	-	-	-	(0)	-	(0)	-
91	Kenya Towers Limited	(c)	Kenya	KES	December 31, 2011	0.617	-	-	-	-	-	-	-	-	-	-
92	Madagascar Towers S.A.	(c)	Madagascar	MGA	December 31, 2011	0.024	0	0	0	-	-	-	0	-	0	-
93	Malawi Towers Limited	(e)	Malawi	MWK	December 31, 2011	0.308	-	-	-	-	-	-	-	-	-	-
94	Niger Towers S.A.	(c)	Niger	XOF	December 31, 2011	0.104	1	(0)	1	-	-	-	(0)	-	(0)	-
95	Rwanda Towers Limited	(e)	Rwanda	RWF	December 31, 2011	0.084	-	-	-	-	-	-	-	-	-	-
96	Tanzania Towers Limited	(c)	Tanzania	TZS	December 31, 2011	0.032	-	-	0	0	-	-	-	-	-	-
97	Tchad Towers S.A.	(c)	Chad	XAF	December 31, 2011	0.104	1	0	1	-	-	-	0	-	0	-
98	Towers Support Nigeria Limited	(e)	Nigeria	NGN	December 31, 2011	0.329	-	-	-	-	-	-	-	-	-	-
99	Uganda Towers Limited	(e)	Uganda	UGS	December 31, 2011	0.020	-	-	-	-	-	-	-	-	-	-
100	Zambian Towers Limited	(e)	Zambia	ZMK	December 31, 2011	0.010	-	-	-	-	-	-	-	-	-	-
101	Airtel Direct-to-Home Services (Kenya) Limited (formerly known as Airtel DTH Services (Kenya) Limited)	(e)	Kenya	KES	December 31, 2011	0.617	-	-	-	-	-	-	-	-	-	-
102	Airtel DTH Service Burkina Faso S.A.	(e)	Burkina Faso	XOF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
103	Airtel DTH Services (SL) Limited	(e)	Sierra Leone	SLL	December 31, 2011	0.012	-	-	-	-	-	-	-	-	-	-
104	Airtel DTH Services Congo (RDC) S.p.r.L.	(e)	Democratic Republic of Congo	USD	December 31, 2011	51.157	-	-	-	-	-	-	-	-	-	-
105	Airtel DTH Services Congo S.A.	(e)	Congo Brazzaville	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
106	Airtel DTH Services Gabon S.A.	(e)	Gabon	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-

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Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
107	Airtel DTH Services Ghana Limited	(e)	Ghana	GHC	December 31, 2011	28.780	-	-	-	-	-	-	-	-	-	-
108	Airtel DTH Services Madagascar S.A.	(e)	Madagascar	MGA	December 31, 2011	0.024	-	-	-	-	-	-	-	-	-	-
109	Airtel DTH Services Malawi Limited	(e)	Malawi	MMK	December 31, 2011	0.308	-	-	-	-	-	-	-	-	-	-
110	Airtel DTH Services Niger S.A.	(e)	Niger	XOF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
111	Airtel DTH Services Nigeria Limited	(e)	Nigeria	NGN	December 31, 2011	0.329	-	-	-	-	-	-	-	-	-	-
112	Airtel DTH Services Tanzania Limited	(e)	Tanzania	TZS	December 31, 2011	0.032	-	-	-	-	-	-	-	-	-	-
113	Airtel DTH Services Tchad S.A.	(e)	Chad	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
114	Airtel DTH Services Uganda Limited	(e)	Uganda	UGS	December 31, 2011	0.020	-	-	-	-	-	-	-	-	-	-
115	Bharti DTH Services Zambia Limited	(e)	Zambia	ZMK	December 31, 2011	0.010	-	-	-	-	-	-	-	-	-	-
116	Bharti Airtel International (Netherlands) BV	(b)	Netherlands	USD	March 31, 2012	51.157	3	98,362	505,698	407,333	-	3,733	(6,137)	114	(6,251)	-
117	Cetel Cameroon S.A.	(f)	Cameroon	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
118	Partnership Investments Sprt	(e)	Democratic Republic of Congo	USD	December 31, 2011	51.157	-	-	-	-	-	-	-	-	-	-
119	MSI-Cetel Nigeria Limited	(e)	Nigeria	NGN	December 31, 2011	0.329	-	-	-	-	-	-	-	-	-	-
120	Channel Sea Management Company Mauritius Limited	(c)	Mauritius	USD	December 31, 2011	51.157	1	6	19	12	-	-	(2)	-	(2)	-
121	Montana International S.A	(c)	Mauritius	USD	December 31, 2011	51.157	0	(6)	0	6	-	-	(1)	-	(1)	-
122	Société Malgache de Téléphone Cellulaire S.A.	(c)	Mauritius	USD	December 31, 2011	51.157	2	(6)	2	6	-	-	(1)	-	(1)	-
123	Bharti Airtel Developers Forum Limited (formerly known as Zain Developers Forum)	(e)	Zambia	ZMK	December 31, 2011	0.010	-	-	-	-	-	-	-	-	-	-

NOTES

- Financial information has been extracted from the audited standalone financial statements.
- Financial information has been extracted from the unaudited standalone financial statements.
- Financial information has been extracted from the audited financial information considered for the purpose of consolidated financial statements for the respective financial year end. However, where the financial year of the subsidiary ends before September 30, 2011, financial information has been extracted from the financial information considered for the preparation of consolidated financial statements for the year ended March 31, 2012.
- Aero Ventures Limited was incorporated and sold during the year, hence not included above.
- Subsidiaries are non operational or yet to commence its operations.
- Cetel Cameroon S.A. is under liquidation.
- During the year, the Cetel Zambia Plc has changed its financial year end from December 31, 2011 to March 31, 2012. Accordingly, turnover, profit/(loss) before tax, provision for taxation and profit/(loss) after taxation disclosed above are for 15 months period based on the audited financial statements.
- Proposed dividend includes dividend distribution tax.
- Dividend proposed subsequent to the date of approval of the consolidated financial statements of Bharti Airtel Limited.
- Share capital includes preference share capital.
- Investments other than investment in subsidiary includes investment in entities which is indirect subsidiary of Bharti Airtel Limited.
- Amount below 0.5 Mn has been rounded off and disclosed as '0' and nil amount has been disclosed as '-'; as applicable.

Notice of annual general meeting

Notice is hereby given that the seventeenth annual general meeting of the shareholders of Bharti Airtel Limited will be held on Thursday, September 6, 2012 at 03.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at March 31, 2012, the statement of profit & loss and the cash flow statement for the year ended on that date and the reports of the Board of directors and auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Ms. Chua Sock Koong, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a director in place of Mr. Craig Edward Ehrlich, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. Nikesh Arora, who retires by rotation and being eligible offers himself for re-appointment.

6. To appoint a director in place of Mr. Rajan Bharti Mittal, who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint a director in place of Mr. Rakesh Bharti Mittal, who retires by rotation and being eligible offers himself for re-appointment.
8. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

Registered Office:

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

Date: May 2, 2012

**By order of the Board
For Bharti Airtel Limited**

**Mukesh Bhavnani
Group General Counsel &
Company Secretary**

NOTES:

1. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. Notice of annual general meeting will be sent to those shareholders/beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on Friday, July 27, 2012.

As a part of the green initiatives of the Ministry of Corporate Affairs in corporate governance, the Company is allowed to send official communication and documents to its shareholders through e-mail. Accordingly, in cases where the shareholders have registered their e-mail id with their depository participant/Company's registrar & share transfer agent, the Company has decided to send notice of general meetings, annual reports, dividend intimations, etc. through e-mail. For other cases, the Company will continue to send the printed annual reports as usual.

Shareholders are requested to update their preferred e-mail ids with the Company/depository participants/Company's Registrar and Transfer Agent which will be used for the purpose of sending the official documents through e-mail in future.

Shareholders whose e-mail id is not registered with the Company, will be sent a copy of this notice along with the abridged annual report at their registered address. Shareholders whose e-mail ids

are registered with the Company and who wish to receive physical copies of the abridged/full version of the annual report may also send their request to the Company at its registered office address or to the Company's Registrar and Share Transfer Agent (RTA), Karvy Computershare Private Limited, at Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad-500 081, Andhra Pradesh.

3. Abridged and full version of the annual report will also be available on the website of the Company at www.airtel.in in the Investor Relations section.
4. Register of members and share transfer books of the Company will remain closed from Saturday, August 18, 2012 to Thursday, September 06, 2012 (both days inclusive), in terms of the provisions of the Companies Act, 1956 and the listing agreement with the stock exchanges where the shares of the Company are listed for the purpose of annual general meeting and determining the names of the shareholders eligible for dividend on equity shares, if declared at the meeting.
5. The dividend, if declared at the annual general meeting, will be paid on or before the 30th day from the date of declaration of dividend i.e. September 6, 2012 to:
 - For shares held in physical form – those shareholders whose names will appear in the Register of Members on the close of the day on August 17, 2012;
 - For shares held in dematerialized form – those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on August 17, 2012.

6. Shareholders who hold shares in the physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their requisite request to the Company's Registrars and Share Transfer Agents (RTA). The ECS mandate, in order to be effective, should be submitted to the RTA on or before August 17, 2012. Shareholders are requested to utilize the ECS for receiving dividends. Any query related to dividend should be directed to the RTA of the Company.

In respect of shareholders holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS. The Company/the RTA will not act on any direct request from shareholders holding shares in dematerialized form for change/deletion of such bank details.

7. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's RTA. Shareholders, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective depository participants.
8. Shareholders wishing to claim dividends, which remain unpaid are requested to contact Company's RTA. Shareholders are requested to note that the amount of dividend remaining unclaimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund as per Section 205A of the Companies Act, 1956.
9. Information regarding particulars of the directors seeking re-appointment requiring disclosure in terms of the listing agreement are annexed hereto. The directorships held by the directors considered for the purpose of disclosure do not include the directorships held in foreign companies, private limited companies and companies under section 25 of the Companies Act, 1956 but include private limited companies which are considered as public limited companies in terms of section

3(1)(iv)(c) of the Companies Act, 1956. The committee chairmanships/memberships considered for the purposes of disclosure are those prescribed under clause 49(l)(C) of the listing agreement(s) viz. Audit Committee and Shareholders/Investor Grievance Committee of Indian public limited companies.

10. Corporate members/Societies are requested to send a duly certified copy of the board of directors'/Governing Bodies resolution/power of attorney authorising their representative to attend and vote at the annual general meeting.
11. Statutory Registers and documents referred to in the notice and explanatory statement, including certificate from the Auditors of the Company under clause 14 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of annual general meeting and will also be available for inspection at the meeting.
12. Shareholders having any question on financial statements or any agenda item proposed in the notice of annual general meeting are requested to send their queries at least ten days prior to the date of annual general meeting of the Company at its registered office address to enable the Company to collect the relevant information.
13. Shareholders/proxies are requested to bring duly filled admission/attendance slips sent herewith along with the copies of annual reports at the meeting.
14. For the security and safety of the shareholders, no article/baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The shareholders/attendees are strictly requested not to bring any article/baggage, etc. at the venue of the meeting.

**SHAREHOLDERS MAY PLEASE NOTE THAT NO GIFTS/
GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE
OF THE MEETING.**

Information on directors seeking re-appointment at the forthcoming Annual General Meeting (pursuant to clause 49 of the Listing agreement) as on the date of Notice.

Ms. Chua Sock Koong	
Date of Birth	14 th September, 1957
Qualifications	<ul style="list-style-type: none"> 1st Class Honours Degree in Accountancy from the University of Singapore Certified Public Accountant and Chartered Financial Analyst
Experience and expertise in specific functional area	Management & Finance
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Bharti Telecom Limited
Membership/Chairmanship of committees in public limited companies in India	Nil
Mr. Craig Edward Ehrlich	
Date of Birth	14 th May, 1955
Qualifications	<ul style="list-style-type: none"> Graduate from University of California Los Angeles Masters degree from Occidental College Postgraduate Fellowship from Coro foundation
Experience and expertise in specific functional area	Finance and Business Administration
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Nil
Membership/Chairmanship of committees in public limited companies in India	Bharti Airtel Limited - Audit Committee (Member)
Mr. Nikesh Arora	
Date of Birth	9 th February, 1968
Qualifications	<ul style="list-style-type: none"> MS in Finance from Boston College MBA from the Northeastern University in the United States.
Experience and expertise in specific functional area	Finance and Business Administration
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Nil
Membership/Chairmanship of committees in public limited companies in India	Nil

Contd...

Mr. Rajan Bharti Mittal	
Date of birth	5 th January, 1960
Qualifications	Arts Graduate from Panjab University
Experience and expertise in specific functional area	Marketing and Management
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Bharti Realty Holdings Limited Bharti Retail Limited Bharti Telecom Limited Bharti Ventures Limited Bharti Wal-Mart Private Limited*
Membership/Chairmanship of committees in public limited companies in India	Bharti Airtel Limited - Investor Grievance Committee (Member) Bharti Retail Limited - Audit Committee (Member) Bharti Telecom Limited - Audit Committee (Chairman) Bharti Telecom Limited - Share Transfer Committee (Chairman) Bharti Ventures Ltd. - Audit Committee (Member) Bharti Realty Holdings Limited - Audit Committee (Member) Bharti Wal-Mart Private Limited* - Audit Committee (Member)

*Public Limited Company in terms of section 3(1)(iv)(c) of the Companies Act, 1956.

Mr. Rakesh Bharti Mittal	
Date of birth	18 th September, 1955
Qualifications	Engineering from the YMCA Institute of Engineering
Experience and expertise in specific functional area	Management
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Beetel Teletech Limited Bharti AXA General Insurance Company Limited Bharti AXA Life Insurance Company Limited Bharti Telecom Limited Bharti Ventures Limited Centum Learning Limited Comviva Technologies Ltd IFCI Limited
Membership/Chairmanship of committees in public limited companies in India	Bharti Airtel Limited - Audit Committee (Member) Bharti Airtel Limited - Investor Grievance Committee (Member) Bharti AXA General Insurance Company Limited – Audit Committee (Member) Bharti Ventures Limited - Audit Committee (Member)

Registered Office:

Bharti Crescent
1, Nelson Mandela Road
Vasant Kunj, Phase – II,
New Delhi – 110 070, India.
Date: May 2, 2012

**By order of the Board
For Bharti Airtel Limited**

**Mukesh Bhavnani
Group General Counsel & Company Secretary**

BHARTI AIRTEL LIMITED

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070

ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id & Client Id/Regd. Folio No.*	
No. of Shares	

Name(s) and address of the shareholder in full _____

I/we hereby record my/our presence at the seventeenth annual general meeting of the Company being held on Thursday, September 06, 2012 at 3.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi – 110 010, India.

Please (✓) in the box

☐ MEMBER ☐ PROXY

Signature of Shareholder/Proxy

*Applicable for investor holding shares in physical form.

BHARTI AIRTEL LIMITED

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070

PROXY FORM

DP Id & Client Id/Regd. Folio No.*	
No. of Shares	

I/We **(Name(s) and address of the shareholder in full)** _____

being a shareholder of Bharti Airtel Limited, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the seventeenth annual general meeting of the Company scheduled to be held on Thursday, September 06, 2012 at 03.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi – 110 010 or/and at any adjournment thereof.

I/We direct my/our Proxy to vote on the resolution(s) in the manner as indicated below:

Resolutions	For	Against
Adoption of annual financial statements and reports		
Declaration of dividend on equity shares		
Re-appointment of Ms. Chua Sock Koong		
Re-appointment of Mr. Craig Edward Ehrlich		
Re-appointment of Mr. Nikesh Arora		
Re-appointment of Mr. Rajan Bharti Mittal		
Re-appointment of Mr. Rakesh Bharti Mittal		
Re-appointment of M/s. S.R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the statutory auditors		

Dated: _____

*Applicable for investor holding shares in physical form.

Signature of the Shareholder

Affix the
revenue
stamp of
₹ 1/-

Note: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi-110 070 not later than 48 hours before the commencement of the annual general meeting.

Circle offices

Assam & North East States

Bharti House,
Six Mile,
Khanapara,
Guwahati - 781 022

Andhra Pradesh

Splendid Towers,
HUDA Road,
Begumpet,
Hyderabad - 500 016

Bihar

7th Floor,
Anand Vihar,
Boring Canal Road,
Patna - 800 001

Delhi NCR

Airtel Centre,
Plot No. 16,
Udyog Vihar, Phase - 4,
Gurgaon - 122 001

Gujarat

Zodiac Square,
2nd Floor, S.G. Road,
Opp. Gurudwara,
Ahmedabad - 380 054

Haryana, Punjab, Himachal and J&K

Plot No. 21,
Rajiv Gandhi Technology Park,
Chandigarh - 160 101

Karnataka

55, Divyasree Towers,
Opp. Jayadeva Hospital,
Bannerghatta Main Road,
Bangalore - 560 029

Madhya Pradesh & Chhattisgarh

3rd & 4th Floor,
Metro Tower,
Vijay Nagar,
AB Road,
Indore - 452 010

Maharashtra & Goa

7th Floor,
Interface Building No. 7,
Link Road,
Malad (W),
Mumbai - 400 064

Rajasthan

K-21,
Malviya Marg,
C - Scheme,
Jaipur - 302 001

Tamil Nadu & Kerala

Oceanic Towers,
101, Santhome High Road,
Santhome,
Chennai - 600 028

Uttar Pradesh & Uttaranchal

Airtel Towers,
12, Rani Laxmi Bai Marg,
Hazratganj,
Lucknow - 226 001

West Bengal & Odisha

2 Infinity Building,
7th Floor,
Sector V,
Salt Lake Electronics Complex,
Kolkata - 700 091



Main hoon na friend, Close friend, Lazy friend, Notes friend...

har friend zaroori hai, yaar
the campaign that has taken India by storm!

bharti

Bharti Airtel Limited
 Bharti Crescent, 1, Nelson Mandela Road,
 Vasant Kunj, Phase II, New Delhi - 110 070, India.
www.airtel.in