

Quarterly report on the results for the third quarter and nine months ended December 31, 2013

Bharti Airtel Limited

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



**bharti airtel ranked no. 1 in category of 'Service Brands'
in the Brand Equity Most Trusted Brands 2013**

**'my airtel' app won the 'Service Innovation 2013' award
at the Aegis Graham Bell Awards 2013**

**voted as one of Africa's top ten most admired
global brands by African Business magazine in 2013**



January 29, 2014

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

Supplemental Disclosures

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

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

General Risk: - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Bharti Airtel, along with the equity investment risk which doesn't guarantee capital protection.

Convenience translation: - We publish our financial statements in Indian Rupees. All references herein to “Indian Rupees” and “Rs” are to Indian Rupees and all references herein to “US dollars” and “US\$” are to United States dollars. Translation of income statement items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the respective quarter average rate. Translation of Statement of financial position items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the closing rate. The rates announced by the Reserve Bank of India are being used as the Reference rate for respective translations. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Functional Translation: - Africa financials reported in the quarterly report are in its functional currency i.e. US\$ (Refer Section “9.4 Key Accounting Policies as per IFRS”). South Asia financials reported in the quarterly report are in its presentation currency i.e. US\$.

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

Further disclosures are also provided under “Use of Non - GAAP financial information” on page 36

Others: In this report, the terms “we”, “us”, “our”, “Bharti”, or “the Company”, unless otherwise specified or the context otherwise implies,

refer to Bharti Airtel Limited (“Bharti Airtel”) and its subsidiaries, Bharti Hexacom Limited (“Bharti Hexacom”), Bharti Airtel (Services) Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Network i2i Limited, Telesonic Networks Limited (formerly Alcatel Lucent Network Management Services India Limited), Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Infratel Lanka (Private) Limited, Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, Airtel Bangladesh Limited, Airtel M Commerce Services Limited, Bharti Airtel (Japan) Kabushiki Kaisha, Bharti Airtel (France) SAS, Bharti Airtel International (Mauritius) Limited, Indian Ocean Telecom Limited, Airtel (Seychelles) Limited, Bharti Airtel Africa B.V., Bharti Airtel Acquisition Holdings B.V., Bharti Airtel Burkina Faso Holdings B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Gabon Holdings B.V., Bharti Airtel Ghana Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Sierra Leone Holdings B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Airtel Burkina Faso S.A., Airtel Congo S.A, Celtel Congo RDC S.a.r.l., Airtel Gabon S.A., Airtel (Ghana) Limited, Airtel Networks Kenya Limited, Airtel Madagascar S.A., Airtel Malawi Limited, Celtel Niger S.A., Airtel Networks Limited, Airtel Tanzania Limited, Airtel Uganda Limited, Airtel Networks Zambia Plc (formerly known as Celtel Zambia plc), Bharti Airtel DTH Holdings B.V., Partnership Investments Sprl, MSI-Celtel Nigeria Limited, Celtel (Mauritius) Holdings Limited, Channel Sea Management Co Mauritius Limited, Montana International, Zap Trust Company Nigeria Limited, Airtel Mobile Commerce Tchad SARL, Airtel Mobile Commerce Zambia Limited (formerly known as ZMP Ltd. (Zambia)), Airtel Mobile Commerce Limited (Malawi), Airtel Mobile Commerce Ghana Limited, Airtel Mobile Commerce Kenya Limited, Airtel Money Niger S.A., Airtel Mobile Commerce (SL) Limited, Africa Towers N.V., Airtel Towers (Ghana) Limited, Malawi Towers Limited, Airtel Money S.A. (Gabon), Société Malgache de Telephonie Cellulaire SA, Uganda Towers Limited, Airtel Mobile Commerce Tanzania Limited, Airtel (SL) Limited, Airtel DTH Services (Sierra Leone) Limited, Airtel DTH Services Congo (RDC) S.p.r.l, Airtel DTH Services Congo S.A., Airtel DTH Services Nigeria Limited, Bharti DTH Services Zambia Limited, Airtel Money (RDC) S.p.r.l, Burkina Faso Towers S.A., Congo RDC Towers S.p.r.l., Congo Towers S.A., Gabon Towers S.A., Kenya Towers Limited, Madagascar Towers S.A., Mobile Commerce Congo S.A., Niger Towers S.A., Tanzania Towers Limited, Tchad Towers S.A., Towers Support Nigeria Limited, Bharti Airtel Developers Forum Ltd., Bangladesh Infratel Networks Limited, Africa Towers Services Limited, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Burkina Faso S.A., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Uganda Limited, Airtel Rwanda Limited, Airtel Towers (S.L.) Company Limited, Bharti Airtel Cameroon B.V., Airtel Tchad S.A., Rwanda Towers Limited, Zambian Towers Limited, Zebrano (Mauritius) Limited, Airtel Mobile Commerce Rwanda Limited, Warid Telecom Uganda Limited, Bharti Infratel Services Limited, Nextra Data Limited, Airtel Mobile Commerce (Seychelles) Limited., Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)

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

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SECTION 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2011	2012	2013	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Dec 2013
<u>Operating Highlights</u>									
Total Customer Base	000's	220,877	251,646	271,227	262,275	271,227	274,917	280,087	287,409
Total Minutes on Network	Mn Min	890,093	1,020,615	1,127,150	284,041	293,672	301,366	297,873	301,130
Sites on Network	Nos	131,304	141,059	156,905	153,907	156,905	158,613	159,439	161,267
Total Employees ⁴	Nos	23,371	19,956	25,710	22,590	25,710	26,042	25,288	24,725
No. of countries of operation	Nos	19	20	20	20	20	20	20	20
Population Covered	Bn	1.83	1.84	1.85	1.85	1.85	1.85	1.85	1.85
<u>Consolidated Financials (Rs Mn)</u>									
Total Revenue	Rs Mn	595,383	683,267	769,045	193,624	195,821	202,639	213,244	219,385
EBITDA	Rs Mn	200,718	222,025	232,579	57,749	60,605	65,449	68,321	70,934
EBIT	Rs Mn	98,652	94,949	84,432	20,399	22,603	26,979	28,927	31,746
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	180,581	193,899	195,643	47,914	51,475	59,113	55,629	62,401
Profit before Tax	Rs Mn	76,782	63,792	47,853	9,032	12,320	16,125	14,468	22,128
Net income	Rs Mn	60,467	42,594	22,757	2,837	5,086	6,889	5,120	6,102
Capex	Rs Mn	140,100	128,150	126,451	22,132	32,878	22,954	21,391	28,219
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	60,617	93,874	106,128	35,617	27,727	42,495	46,930	42,715
Net Debt	Rs Mn	599,512	618,442	583,567	583,937	583,567	587,205	613,500	576,430
Shareholder's Equity	Rs Mn	487,668	506,113	503,217	516,274	503,217	575,307	587,756	592,597
<u>Consolidated Financials (US\$ Mn)</u>									
Total Revenue ¹	US\$ Mn	13,063	14,284	14,129	3,558	3,619	3,628	3,398	3,535
EBITDA ¹	US\$ Mn	4,403	4,641	4,273	1,061	1,120	1,172	1,089	1,143
EBIT ¹	US\$ Mn	2,163	1,985	1,551	375	418	483	461	512
Cash profit from operations before Derivative & Exchange Fluctuations ¹	US\$ Mn	3,961	4,053	3,594	881	951	1,058	887	1,006
Profit before Tax ¹	US\$ Mn	1,682	1,334	879	166	228	289	231	357
Net income ¹	US\$ Mn	1,325	890	418	52	94	123	82	98
Capex ¹	US\$ Mn	3,072	2,679	2,323	407	608	411	341	455
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	1,330	1,962	1,950	654	512	761	748	688
Net Debt ²	US\$ Mn	13,427	12,089	10,729	10,660	10,729	9,836	9,773	9,313
Shareholder's Equity ²	US\$ Mn	10,922	9,893	9,252	9,425	9,252	9,637	9,363	9,574
<u>Key Ratios</u>									
EBITDA Margin	%	33.7%	32.5%	30.2%	29.8%	30.9%	32.3%	32.0%	32.3%
EBIT Margin	%	16.6%	13.9%	11.0%	10.5%	11.5%	13.3%	13.6%	14.5%
Net Profit Margin	%	10.2%	6.2%	3.0%	1.5%	2.6%	3.4%	2.4%	2.8%
Net Debt to Funded Equity Ratio	Times	1.23	1.22	1.16	1.13	1.16	1.02	1.04	0.97
Net Debt to EBITDA (LTM) - US\$	Times	2.95	2.60	2.51	2.44	2.51	2.22	2.20	2.06
Net Debt to EBITDA (Annualised) - US\$	Times	2.95	2.60	2.51	2.51	2.40	2.10	2.25	2.04
Interest Coverage ratio	Times	11.20	9.09	6.77	6.62	7.26	7.44	7.38	7.61
Return on Shareholder's Equity	%	13.3%	8.6%	4.5%	5.6%	4.5%	4.3%	3.7%	4.2%
Return on Capital employed	%	10.8%	7.1%	5.7%	5.9%	5.6%	6.0%	6.3%	6.4%
<u>Valuation Indicators</u>									
Market Capitalization	Rs Bn	1,358	1,279	1,108	1,203	1,108	1,165	1,272	1,321
Market Capitalization	US\$ Bn	30.4	25.0	20.4	22.0	20.4	19.5	20.3	21.3
Enterprise Value	Rs Bn	1,957	1,897	1,692	1,787	1,692	1,752	1,886	1,897
EV / EBITDA (LTM)	Times	9.75	8.55	7.27	7.75	7.27	7.20	7.48	7.15
P/E Ratio (LTM)	Times	22.43	30.00	48.65	43.35	48.65	50.32	61.53	55.52

1. Average exchange rates used for Rupee conversion to US\$ is (a) Rs. 45.60 for the financial year ended March 31, 2011 (b) Rs. 47.84 for the financial year ended March 31, 2012 (c) Rs. 54.43 for the financial year ended March 31, 2013 (d) Rs. 54.42 for the quarter ended December 31, 2012 (e) Rs. 54.12 for the quarter ended March 31, 2013 (f) Rs. 55.86 for the quarter ended June 30, 2013 (g) Rs. 62.75 for the quarter ended September 30, 2013 (h) Rs. 62.05 for the quarter ended December 31, 2013 based on the RBI Reference rate.

2. Closing exchange rates used for Rupee conversion to US\$ is (a) Rs. 44.65 for the financial year ended March 31, 2011 (b) Rs. 51.16 for the financial year ended March 31, 2012 (c) Rs. 54.39 for the quarter and financial year ended March 31, 2013 (d) Rs. 54.78 for the quarter ended December 31, 2012 (e) Rs. 54.39 for the quarter ended March 31, 2013 (f) Rs. 59.70 for the quarter ended June 30, 2013 (g) Rs. 62.78 for the quarter ended September 30, 2013 (h) Rs. 61.90 for the quarter ended December 31, 2013 being the RBI Reference rate.

3. Key Ratios computed using translated US\$ values may yield different results in comparison with ratios computed using Rupee values.

4. Total employees do not include 42% of Indus Towers employees.

SECTION 2

BHARTI AIRTEL - AN INTRODUCTION

2.1 Introduction

We are one of the world's leading providers of telecommunication services with significant presence in 20 countries representing India, Bangladesh, Sri Lanka and 17 countries in Africa. As per United Nations data published on January 01, 2013, the population of these 20 countries represents around 26% of the world's population.

We provide telecom services under wireless and fixed line technology, national and international long distance connectivity, Digital TV and IPTV services; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand "airtel". 'Airtel Money' extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, Bangladesh and across all 17 countries in Africa. The Company also owns Tower Infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

The shares of Bharti Airtel Ltd are listed on the Indian Stock Exchanges, NSE & BSE.

2.2 Business Divisions

2.2.1 India

We follow a segmented approach for our operations in India with clear focus on retail and corporate customers, with B2C focusing on Consumer Business and Retail Market Operations while B2B serves large corporates, governments and other carriers.

B2C Services:

Mobile Services (India) – We are the largest wireless operator in the country both in terms of customers and revenues. We offer postpaid, pre-paid, roaming, internet, m-Commerce (Airtel Money) and other value added services using GSM mobile technology. Our distribution channel is spread across 1.5 Mn outlets with network presence in 5,121 census and 460,655 non-census towns and villages in India covering approximately 86.7% of the country's population.

Our 3G services are spread across key cities in the country offering high-speed internet access and a host of innovative services like Mobile TV, video calls, live-streaming videos and gaming. Our 4G services, currently present in 4 markets, offer the fastest wireless services with buffer-less HD video streaming and multi-tasking capabilities to our customers.

Our national long distance infrastructure provides a pan-India reach with 178,884 Rkms of optical fiber.

Telemedia Services – With pan-India presence of 87 cities, we are the leading private provider of fixed line voice and high speed broadband across Homes and Office segments. We provide fixed telephone lines, broadband (via DSL) and IPTV services to Homes, and fixed telephone line, internet leased line and MPLS services to Offices. Our portfolio for the office segment includes a cloud platform which enables mail (office 365), IaaS (storage and compute), ERP and CRM on a 'pay as you go' model.

Digital TV Services – Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. We currently offer a total of 394 channels including 19 HD channels and 4 interactive services.

B2B Services:

Airtel Business – We are India's leading and most trusted provider of ICT services with a diverse portfolio of services to enterprises, governments, carriers and small and medium business. Along with voice, data and video, our services also include network integration, data centers, managed services, enterprise mobility applications and digital media. Airtel Business provides 'One solution, bill, support, face' experience to our customers.

We offer global services in both voice and data including VAS services like International Toll Free Services and SMS hubbing. Our strategically located submarine cables and satellite network enable our customers to connect across the world including hard-to-reach areas. Our global network runs across 225,000 Rkms, covering 50 countries and 5 continents.

Tower Infrastructure Services – Our subsidiary, Bharti Infratel Ltd (Infratel), is India's leading provider of tower and related infrastructure and it deploys, owns & manages telecom towers and communication structures, for various mobile operators. It holds 42% equity interest in Indus towers, a joint venture with Vodafone India and Aditya Birla Telecom who hold 42% and 16% respectively. The Company's consolidated portfolio of over 82,000 telecom towers, which includes over 35,000 of its own towers and the balance from its 42% equity interest in Indus Towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. The Company has been the industry pioneer in adopting green energy initiatives for its operations.

Infratel is listed on Indian Stock exchanges, NSE and BSE.

2.2.2 International

Africa – We are present in 17 countries across Africa, namely: Nigeria, Burkina Faso, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Ghana, Kenya, Malawi, Seychelles, Sierra Leone, Tanzania, Uganda, Zambia and Rwanda. We offer post-paid, pre-paid, roaming, internet services, content, media & entertainment, and corporate solutions. 3G data and m-Commerce (Airtel Money) are the next growth engines for the Company in Africa. We offer 3G services in 14 countries and Airtel Money across all 17 countries in Africa.

South Asia – South Asia represents our operations in Bangladesh and Sri Lanka. In Bangladesh, we are present across 64 districts with a distribution network comprising of 109,000 retailers across the country. 3G was launched in Nov'13 and we have rolled out more than 800 3G sites across Bangladesh. In Sri Lanka, we operate across 25 administrative districts with distribution network of over 40,500 retailers. Our 3.5G services are present across major towns in Sri Lanka.

2.3 Partners

SingTel, our strategic equity partner, has made one of their largest investments outside Singapore with us. This partnership has enabled us to expand and further enhance the quality of services to our customers. We also pioneered the outsourcing business model with long term strategic partnership in all areas including network equipment, information technology and call center. We partnered with global leaders who share our drive for co-creating innovative and tailor made solutions. To name a few, our strategic partners include Ericsson, Nokia Siemens Networks (NSN), Huawei, Cisco, IBM, Tech Mahindra, Infosys, Avaya, etc.

SECTION 3

FINANCIAL HIGHLIGHTS

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.

Detailed financial statements, analysis & other related information is attached to this report (page 28 - 30). Also, kindly refer to Section 7.4 - use of Non - GAAP financial information (page 35) and Glossary (page 52) for detailed definitions.

3.1 Consolidated - Summary of Consolidated Financial Statements

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

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Total revenues	219,385	193,624	13%	635,268	573,224	11%
EBITDA	70,934	57,749	23%	204,704	171,974	19%
<i>EBITDA / Total revenues</i>	<i>32.3%</i>	<i>29.8%</i>		<i>32.2%</i>	<i>30.0%</i>	
EBIT	31,746	20,399	56%	87,652	61,831	42%
Finance cost (net)	10,682	12,309	-13%	38,469	28,926	33%
Share of results of Joint Ventures/Associates	1,064	943	13%	3,538	2,631	34%
Profit before Tax ⁵	22,128	9,032	145%	52,721	35,535	48%
Income tax expense ⁵	13,807	6,191	123%	31,260	17,930	74%
Net income ⁶	6,102	2,837	115%	18,111	17,671	2%
Capex	28,219	22,132	28%	72,565	93,573	-22%
Operating Free Cash Flow (EBITDA - Capex)	42,715	35,617	20%	132,139	78,401	69%
Cumulative Investments	2,103,006	1,837,905	14%	2,103,006	1,837,905	14%

Note 5: Profit before Tax and Income Tax expense reported above for the quarter ended and nine months ended December 31, 2013, excludes the impact of exceptional items.

Note 6: Net Income for the quarter ended and nine months ended December 31, 2013, includes the impact of exceptional items. Refer section 5.3.2 on "Exceptional Items" on page 23 for details.

3.1.2 Consolidated Summarized Statement of Financial Position

Particulars	<i>Amount in Rs mn</i>	
	As at December 31, 2013	As at March 31, 2013
Assets		
Non-current assets	1,582,733	1,395,347
Current assets	223,205	196,906
Total assets	1,805,938	1,592,253
Non-current liabilities	632,655	627,603
Current liabilities	539,598	420,547
Total liabilities	1,172,253	1,048,150
Equity & Non Controlling Interests		
Equity	592,597	503,217
Non-Controlling Interests	41,088	40,886
Total Equity & Non Controlling Interests	633,685	544,103
Total Equity and liabilities	1,805,938	1,592,253

3.2 Region wise - Summary of Consolidated Financial Statements

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

Amount in Rs mn, except ratios

Particulars	Quarter Ended Dec 2013			Quarter Ended Dec 2012			Nine Months Ended Dec 2013			Nine Months Ended Dec 2012		
	India	International	Total	India	International	Total	India	International	Total	India	International	Total
Total revenues	144,430	76,763	219,385	130,999	64,775	193,624	426,456	214,780	635,268	390,285	188,665	573,224
EBITDA	51,970	18,965	70,934	41,452	16,297	57,749	150,339	54,297	204,704	125,160	46,838	171,974
<i>EBITDA / Total revenues</i>	<i>36.0%</i>	<i>24.7%</i>	<i>32.3%</i>	<i>31.6%</i>	<i>25.2%</i>	<i>29.8%</i>	<i>35.3%</i>	<i>25.3%</i>	<i>32.2%</i>	<i>32.1%</i>	<i>24.8%</i>	<i>30.0%</i>
EBIT	28,097	3,651	31,746	17,175	3,223	20,399	77,534	10,049	87,652	53,641	8,214	61,831
Profit before Tax ⁷	29,826	(7,872)	22,128	13,501	(4,469)	9,032	69,984	(16,131)	52,721	54,290	(18,731)	35,535
Net income (before exceptional items)	19,377	(11,237)	8,315	8,864	(6,028)	2,837	48,174	(26,174)	20,868	38,544	(20,850)	17,671
Exceptional Items (net) ⁸			2,213			0			2,757			0
Net income ⁹			6,102			2,837			18,111			17,671
Capex	17,421	10,798	28,219	13,002	9,130	22,132	40,649	31,916	72,565	63,170	30,402	93,573
Operating Free Cash Flow (EBITDA - Capex)	34,549	8,167	42,715	28,450	7,167	35,617	109,690	22,381	132,139	61,990	16,436	78,401
Cumulative Investments	1,155,724	947,282	2,103,006	1,060,504	777,401	1,837,905	1,155,724	947,282	2,103,006	1,060,504	777,401	1,837,905

Note 7: Profit before Tax for the quarter ended and nine months ended December 31, 2013, excludes the impact of exceptional items.

Note 8: Refer section 5.3.2 on "Exceptional Items" on page 23 for details.

Note 9: The Consolidated net income excludes the impact of exchange fluctuation on certain inter region loans which are considered as "net investment in foreign operations" (Refer section 9.4 Key Accounting Policies as per IFRS)

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Dec 31, 2013			
	India	International	Eliminations	Total
Assets				
Non-current assets	946,500	808,121	(171,889)	1,582,733
Current assets	184,568	70,026	(31,389)	223,205
Total assets	1,131,068	878,147	(203,278)	1,805,938
Liabilities				
Non-current liabilities	106,574	526,081	0	632,655
Current liabilities	239,609	331,369	(31,381)	539,598
Total liabilities	346,183	857,451	(31,381)	1,172,253
Equity & Non Controlling Interests				
Equity	736,861	28,565	(172,829)	592,597
Non controlling interests	48,024	(7,868)	932	41,088
Total Equity & Non Controlling Interests	784,885	20,697	(171,897)	633,685
Total Equity and liabilities	1,131,068	878,147	(203,278)	1,805,938

3.3 Segment wise Summarized Statement of Operations

INDIA

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	144,430	130,999	10%	426,456	390,285	9%
EBITDA	51,970	41,452	25%	150,339	125,160	20%
<i>EBITDA / Total revenues</i>	<i>36.0%</i>	<i>31.6%</i>		<i>35.3%</i>	<i>32.1%</i>	
EBIT	28,097	17,175	64%	77,534	53,641	45%
Capex	17,421	13,002	34%	40,649	63,170	-36%
Operating Free Cash Flow (EBITDA - Capex)	34,549	28,450	21%	109,690	61,990	77%
Cumulative Investments	1,155,724	1,060,504	9%	1,155,724	1,060,504	9%

B2C Services

3.3.1 Mobile Services (India) – comprises of Mobile Services, Airtel Money and Network Groups providing fibre connectivity.

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	116,446	106,994	9%	346,000	320,532	8%
EBITDA	39,748	31,219	27%	115,417	95,881	20%
<i>EBITDA / Total revenues</i>	<i>34.1%</i>	<i>29.2%</i>		<i>33.4%</i>	<i>29.9%</i>	
EBIT	23,102	15,219	52%	65,498	49,476	32%
Capex	13,529	8,067	68%	28,665	43,061	-33%
Operating Free Cash Flow (EBITDA - Capex)	26,219	23,152	13%	86,752	52,820	64%
Cumulative Investments	809,910	716,653	13%	809,910	716,653	13%

3.3.2 Telemedia Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	9,869	8,938	10%	29,110	26,766	9%
EBITDA	3,574	3,735	-4%	10,955	10,963	0%
<i>EBITDA / Total revenues</i>	<i>36.2%</i>	<i>41.8%</i>		<i>37.6%</i>	<i>41.0%</i>	
EBIT	1,278	1,768	-28%	4,121	5,133	-20%
Capex	823	745	10%	2,293	2,850	-20%
Operating Free Cash Flow (EBITDA - Capex)	2,751	2,990	-8%	8,662	8,113	7%
Cumulative Investments	77,293	73,910	5%	77,293	73,910	5%

3.3.3 Digital TV Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	5,384	4,280	26%	15,356	11,875	29%
EBITDA	970	147	560%	2,375	156	1419%
<i>EBITDA / Total revenues</i>	<i>18.0%</i>	<i>3.4%</i>		<i>15.5%</i>	<i>1.3%</i>	
EBIT	(1,081)	(1,828)	41%	(3,710)	(6,321)	41%
Capex	1,109	1,351	-18%	4,391	6,222	-29%
Operating Free Cash Flow (EBITDA - Capex)	(139)	(1,204)	88%	(2,016)	(6,065)	67%
Cumulative Investments	44,712	39,245	14%	44,712	39,245	14%

B2B Services

3.3.4 Airtel Business

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	16,195	14,219	14%	47,056	40,059	17%
EBITDA	4,139	2,154	92%	10,146	6,024	68%
<i>EBITDA / Total revenues</i>	<i>25.6%</i>	<i>15.2%</i>		<i>21.6%</i>	<i>15.0%</i>	
EBIT	2,676	728	268%	5,942	1,828	225%
Capex	242	139	74%	666	763	-13%
Operating Free Cash Flow (EBITDA - Capex)	3,897	2,015	93%	9,480	5,261	80%
Cumulative Investments	44,612	42,806	4%	44,612	42,806	4%

3.3.5 Tower Infrastructure Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	12,592	12,745	-1%	38,026	36,705	4%
EBITDA	5,344	5,674	-6%	16,510	16,353	1%
<i>EBITDA / Total revenues</i>	<i>42.4%</i>	<i>44.5%</i>		<i>43.4%</i>	<i>44.6%</i>	
EBIT	2,739	1,768	55%	7,377	4,929	50%
Share of results of joint ventures/associates	1,179	982	20%	3,422	2,816	22%
Capex	1,679	2,369	-29%	4,599	7,467	-38%
Operating Free Cash Flow (EBITDA - Capex)	3,665	3,305	11%	11,911	8,886	34%
Cumulative Investments	171,720	177,759	-3%	171,720	177,759	-3%

Others

3.3.6 Others (India)

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	707	729	-3%	2,265	2,466	-8%
EBITDA	(610)	(481)	-27%	(1,629)	(1,399)	-16%
EBIT	(609)	(484)	-26%	(1,639)	(1,406)	-17%
Capex	44	330	-87%	93	2,807	-97%
Operating Free Cash Flow (EBITDA - Capex)	(654)	(811)	19%	(1,722)	(4,206)	59%
Cumulative Investments	7,476	10,130	-26%	7,476	10,130	-26%

International – Comprises of Consolidated Statement of Operations of Africa and South Asia.

In INR:

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	76,763	64,775	19%	214,780	188,665	14%
EBITDA	18,965	16,297	16%	54,297	46,838	16%
EBITDA / Total revenues	24.7%	25.2%		25.3%	24.8%	
EBIT	3,651	3,223	13%	10,049	8,214	22%
Capex	10,798	9,130	18%	31,916	30,402	5%
Operating Free Cash Flow (EBITDA - Capex)	8,167	7,167	14%	22,381	16,436	36%
Cumulative Investments	947,282	777,401	22%	947,282	777,401	22%

In USD:

Amount in US\$ mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	1,237	1,190	4%	3,560	3,459	3%
EBITDA	306	299	2%	897	857	5%
EBITDA / Total revenues	24.7%	25.1%		25.2%	24.8%	
EBIT	59	58	0%	164	149	10%
Capex	174	168	3%	531	557	-5%
Operating Free Cash Flow (EBITDA - Capex)	132	131	1%	367	300	22%
Cumulative Investments	15,304	14,192	8%	15,304	14,192	8%

3.3.7 Africa – comprises of operations in 17 countries in Africa.

Amount in US\$ mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues ¹¹	1,165	1,133	3%	3,346	3,296	2%
EBITDA	300	300	0%	885	873	1%
<i>EBITDA / Total revenues</i>	25.8%	26.5%		26.5%	26.5%	
EBIT	77	80	-4%	217	222	-2%
Capex	140	160	-12%	459	489	-6%
Operating Free Cash Flow (EBITDA - Capex)	160	140	14%	426	384	11%
Cumulative Investments	14,289	13,429	6%	14,289	13,429	6%

Note 10: Africa financials reported above are in their functional currency i.e., US\$.

Note 11: In constant currency terms, the reported revenues of \$ 1,165 million for the quarter ended December 31, 2013, against \$ 1,127 million in the same quarter last year, represents a Y-o-Y growth of 3.4% (Refer page 40 for revenues in constant currency).

Note 12: Total revenues for the quarter ended December 31, 2013 is impacted by downward revision in mobile termination rates in select countries. Net Revenue (net of access charges and cost of goods sold) which reflects the underlying performance stands at \$ 960 million and \$ 900 million for the quarter ended Dec-13 and Dec-12 respectively, representing a Y-o-Y growth of 6.6%. (Refer page 40 for five quarter trend of net revenue for Africa).

3.3.8 South Asia – comprises of operations in Bangladesh and Sri Lanka

Amount in US\$ mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
Total revenues	72	57	27%	214	163	32%
EBITDA	5	(2)	416%	12	(16)	175%
<i>EBITDA / Total revenues</i>	7.0%	-2.8%		5.7%	-9.9%	
EBIT	(18)	(22)	16%	(53)	(73)	28%
Capex	34	8	304%	72	68	6%
Operating Free Cash Flow (EBITDA - Capex)	(29)	(10)	-190%	(60)	(84)	29%
Cumulative Investments	1,015	763	33%	1,015	763	33%

3.4 Region wise & Segment wise - Investment & Contribution

3.4.1 India

Amount in Rs mn, except ratios

Segment	Quarter Ended Dec 2013						As at Dec 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services ¹³	116,446	81%	39,748	76%	13,529	78%	809,910	70%
Telemedia Services	9,869	7%	3,574	7%	823	5%	77,293	7%
Digital TV Services	5,384	4%	970	2%	1,109	6%	44,712	4%
Airtel Business	16,195	11%	4,139	8%	242	1%	44,612	4%
Tower Infrastructure Services	12,592	9%	5,344	10%	1,679	10%	171,720	15%
Others	707	0%	(610)	-1%	44	0%	7,476	1%
Sub Total	161,193	112%	53,165	102%	17,426	100%	1,155,724	100%
Eliminations	(16,763)	-12%	(1,195)	-2%	(5)	0%		
Accumulated Depreciation And Amortization							(487,105)	
Total (India)	144,430	100%	51,970	100%	17,421	100%	668,619	
Consolidated	219,385		70,934		28,219		2,103,006	
% of Consolidated	66%		73%		62%		55%	

Note 13: Cumulative Investments include National optic fibre network.

Amount in Rs mn, except ratios

Segment	Nine Months Ended Dec 2013						As at Dec 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services ¹³	346,000	81%	115,417	77%	28,665	71%	809,910	70%
Telemedia Services	29,110	7%	10,955	7%	2,293	6%	77,293	7%
Digital TV Services	15,356	4%	2,375	2%	4,391	11%	44,712	4%
Airtel Business	47,056	11%	10,146	7%	666	2%	44,612	4%
Tower Infrastructure Services	38,026	9%	16,510	11%	4,599	11%	171,720	15%
Others	2,265	1%	(1,629)	-1%	93	0%	7,476	1%
Sub Total	477,813	112%	153,774	102%	40,706	100%	1,155,724	100%
Eliminations	(51,357)	-12%	(3,435)	-2%	(58)	0%		
Accumulated Depreciation And Amortization							(487,105)	
Total (India)	426,456	100%	150,339	100%	40,649	100%	668,619	
Consolidated	635,268		204,704		72,565		2,103,006	
% of Consolidated	67%		73%		56%		55%	

3.4.2 International

Amount in US\$ mn, except ratios

Segment	Quarter Ended Dec 2013						As at Dec 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Africa	1,165	94%	300	98%	140	80%	14,289	93%
South Asia	72	6%	5	2%	34	20%	1,015	7%
Sub Total	1,237	100%	306	100%	174	100%	15,304	100%
Eliminations	0	0%	0	0%	0	0%	0	
Accumulated Depreciation And Amortization							(2,951)	
Total (International)	1,237	100%	306	100%	174	100%	12,353	
% of Consolidated	34%		27%		38%		45%	

Amount in US\$ mn, except ratios

Segment	Nine Months Ended Dec 2013						As at Dec 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Africa	3,346	94%	885	99%	459	86%	14,289	93%
South Asia	214	6%	12	1%	72	14%	1,015	7%
Sub Total	3,560	100%	897	100%	531	100%	15,304	100%
Eliminations	0	0%	0	0%	0	0%	0	0%
Accumulated Depreciation And Amortization							(2,951)	0%
Total (International)	3,560	100%	897	100%	531	100%	12,353	
% of Consolidated	33%		27%		44%		45%	

SECTION 4

OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, Realization per Minute, Revenue per Site, Non Voice revenue, Messaging & VAS revenue, Data revenue, Others revenue, Gross revenue per employee per month, Personnel cost per employee per month are based on IFRS.

4.1 Customers and Non Voice % - Consolidated

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Mobile Services	000's	275,247	268,177	3%	251,103	10%
India	000's	198,513	193,457	3%	181,922	9%
International	000's	76,733	74,720	3%	69,181	11%
Telemedia Services	000's	3,355	3,338	1%	3,278	2%
Digital TV Services	000's	8,807	8,572	3%	7,894	12%
Total	000's	287,409	280,087	3%	262,275	10%
Non Voice Revenue as a % of Total Revenues	%	26.1%	25.0%		25.3%	

4.2 Traffic Details – Consolidated

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Mobile Services	Mn Min	293,818	289,843	1%	276,217	6%
India	Mn Min	255,030	251,322	1%	240,814	6%
International	Mn Min	38,788	38,521	1%	35,403	10%
Telemedia Services	Mn Min	4,075	4,209	-3%	3,958	3%
National Long Distance Services	Mn Min	27,310	25,045	9%	23,216	18%
International Long Distance Services	Mn Min	3,606	3,406	6%	4,303	-16%
Total Minutes on Network (Gross)	Mn Min	328,809	322,504	2%	307,694	7%
Eliminations	Mn Min	(27,679)	(24,631)	12%	(23,654)	17%
Total Minutes on Network (Net)	Mn Min	301,130	297,873	1%	284,040	6%

4.3 Mobile Services India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Customer Base	000's	198,513	193,457	3%	181,922	9%
VLR	%	95.3%	95.1%		95.0%	
Net Additions	000's	5,057	2,508	102%	(4,000)	226%
Pre-Paid (as % of total Customer Base)	%	95.3%	95.4%		95.8%	
Monthly Churn	%	2.7%	3.2%		5.9%	
Average Revenue Per User (ARPU)	Rs	195	192	1%	185	5%
Average Revenue Per User (ARPU)	US\$	3.1	3.1	2%	3.4	-8%
Revenue per site per month	Rs	279,871	272,979	3%	261,900	7%
Revenues						
Total Revenues	Rs Mn	116,446	113,541	3%	106,994	9%
Mobile Services	Rs Mn	114,389	110,617	3%	103,520	10%
Others	Rs Mn	2,057	2,924	-30%	3,474	-41%
Voice						
Minutes on the network	Mn	255,030	251,322	1%	240,814	6%
Voice Average Revenue Per User (ARPU)	Rs	161	160	1%	153	5%
Voice Usage per customer	min	434	437	-1%	435	0%
Voice Realization per minute	paisa	37.13	36.74	1%	35.17	6%
Non Voice Revenue						
% of Mobile Services	%	17.2%	16.5%		17.3%	
Of Which						
Messaging & VAS as % of Mobile Services	%	6.1%	6.7%		9.9%	
Data as % of Mobile Services	%	10.3%	9.2%		5.7%	
Others as % of Mobile Services	%	0.9%	0.6%		1.7%	
Data						
Data Customer Base	000's	54,429	50,631	8%	41,480	31%
Of which no. of 3G data customers	000's	9,485	8,015	18%	5,187	83%
As % of Customer Base	%	27.4%	26.2%		22.8%	
Total MBs on the network	Mn MBs	38,960	33,630	16%	19,777	97%
Data Average Revenue Per User (ARPU)	Rs	75	70	7%	47	59%
Data Usage per customer	MBs	249	231	8%	161	54%
Data Realization per MB	paisa	30.14	30.26	0%	29.32	3%

4.4 Telemedia Services

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Telemedia Customers	000's	3,355	3,338	1%	3,278	2%
Of which no. of broadband (DSL) customers	000's	1,455	1,439	1%	1,382	5%
As % of Customer Base	%	43.4%	43.1%		42.2%	
Net additions	000's	17	49	-65%	4	349%
Average Revenue Per User (ARPU)	Rs	954	944	1%	909	5%
Average Revenue Per User (ARPU)	US\$	15.4	15.1	2%	16.7	-8%
Non Voice Revenue as % of Telemedia revenues	%	60.4%	59.1%		54.6%	

4.5 Digital TV Services

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Digital TV Customers	000's	8,807	8,572	3%	7,894	12%
Net additions	000's	235	120	95%	439	-46%
Average Revenue Per User (ARPU)	Rs	207	198	4%	186	11%
Average Revenue Per User (ARPU)	US\$	3.3	3.2	5%	3.4	-3%
Monthly Churn	%	0.8%	1.0%		1.3%	

4.6 Network and Coverage - India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	5,121	5,121	0	5,121	0
Non-Census Towns and Villages	Nos	460,655	460,550	105	458,727	1,928
Population Coverage	%	86.7%	86.7%		86.7%	
Optic Fibre Network	R Kms	178,884	175,405	3,479	166,506	12,378
Sites on Network	Nos	137,069	135,412	1,657	131,450	5,619
<i>Of which no. of 3G sites</i>	Nos	28,179	26,616	1,563	22,515	5,664
Telemedia Services						
Cities covered	Nos	87	87	0	87	0
Airtel Business						
Submarine cable systems	Nos	7	7	0	7	0
Digital TV Services						
Districts Covered	Nos	639	639	0	632	7
Coverage	%	100%	100%		99%	

4.7 Tower Infrastructure Services

4.7.1 Bharti Infratel Standalone

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Total Towers	Nos	35,515	35,376	139	34,668	847
Total Co-locations	Nos	66,871	65,391	1,480	63,080	3,791
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	36,955	38,819	-5%	37,863	-2%
Average Sharing Factor	Times	1.87	1.84		1.82	

Additional Information:

4.7.2 Indus Towers

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Total Towers	Nos	112,615	112,144	471	111,240	1,375
Total Co-locations	Nos	229,760	225,252	4,508	222,038	7,722
Average Sharing Factor	Times	2.02	2.00		1.99	

4.7.3 Bharti Infratel Consolidated

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Total Towers	Nos	82,813	82,476	337	81,389	1,425
Total Co-locations	Nos	163,370	159,997	3,373	156,336	7,034
Average Sharing Factor	Times	1.96	1.93		1.92	

4.8 Human Resource Analysis – India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Total Employees ¹⁴	Nos	19,014	19,502	(488)	16,966	2,048
Number of Customers per employee	Nos	11,080	10,531	549	11,381	(301)
Personnel cost per employee per month	Rs	96,925	93,888	3%	95,997	1%
Gross Revenue per employee per month	Rs	2,531,999	2,406,470	5%	2,573,752	-2%

Note 14: Total Employees do not include 42% of Indus towers employees.

4.9 Africa

4.9.1 Operational Performance

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Customer Base	000's	68,307	66,378	3%	61,687	11%
VLR	%	86.5%	86.8%		86.1%	
Net Additions	000's	1,929	2,175	-11%	3,020	-36%
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%		99.3%	
Monthly Churn	%	6.7%	6.6%		5.1%	
Average Revenue Per User (ARPU)	US\$	5.8	5.7	1%	6.2	-7%
Revenue per site per month	US\$	21,993	21,247	4%	22,725	-3%
Voice						
Minutes on the network	Mn	28,270	27,848	2%	26,174	8%
Voice Average Revenue Per User (ARPU)	US\$	4.7	4.7	-1%	5.3	-12%
Voice Usage per customer	min	141	143	-1%	144	-2%
Voice Realization per minute	US¢	3.31	3.30	0%	3.68	-10%
Non Voice Revenue						
% of Mobile revenues	%	19.6%	17.9%		15.1%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	9.3%	8.8%		7.8%	
Data as % of Mobile revenues	%	7.4%	6.6%		3.9%	
Others as % of Mobile revenues	%	3.0%	2.5%		3.4%	
Data						
Data Customer Base	000's	19,634	17,535	12%	14,107	39%
<i>As % of Customer Base</i>	%	28.7%	26.4%		22.9%	
Total MBs on the network	Mn MBs	5,383	4,215	28%	2,450	120%
Data Average Revenue Per User (ARPU)	US\$	1.6	1.5	6%	1.1	39%
Data Usage per customer	MBs	98.6	84.7	16%	58.3	69%
Data Realization per MB	US¢	1.59	1.74	-9%	1.94	-18%

Refer table 8.9.2 on page 47 for KPI's in constant currency.

4.9.2 Network & Coverage

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Sites on Network	Nos	17,565	17,444	121	16,371	1,194
<i>Of which no. of 3G sites</i>	Nos	6,675	6,237	438	5,527	1,148

4.9.3 Human Resource Analysis

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Total Employees	Nos	4,917	5,022	(105)	4,889	28
Number of Customers per employee	Nos	13,892	13,218	675	12,618	1,275
Personnel cost per employee per month	US\$	6,499	6,984	-7%	6,211	5%
Gross Revenue per employee per month	US\$	78,979	74,271	6%	77,280	2%

4.10 South Asia

4.10.1 Operational Performance

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Customer Base	000's	8,426	8,342	1%	7,493	12%
VLR	%	84.5%	82.9%		83.7%	
Net Additions	000's	84	317	-73%	257	-67%
Pre-Paid (as % of total Customer Base)	%	97.2%	97.3%		97.3%	
Monthly Churn	%	5.5%	6.0%		4.4%	
Average Revenue Per User (ARPU)	US\$	2.9	3.0	-3%	2.6	11%
Revenue per site per month	US\$	3,603	3,665	-2%	3,169	14%
Voice						
Minutes on the network	Mn	10,518	10,673	-1%	9,230	14%
Voice Average Revenue Per User (ARPU)	US\$	2.4	2.5	-5%	2.2	7%
Voice Usage per customer	min	417	436	-4%	419	0%
Voice Realization per minute	US¢	0.57	0.58	-1%	0.53	8%
Non Voice Revenue						
% of Mobile revenues	%	16.3%	14.8%		13.3%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	7.3%	7.2%		6.5%	
Data as % of Mobile revenues	%	6.6%	5.4%		5.0%	
Others as % of Mobile revenues	%	2.4%	2.2%		1.8%	
Data						
Data Customer Base	000's	2,773	2,376	17%	2,115	31%
<i>As % of Customer Base</i>	%	32.9%	28.5%		28.2%	
Total MBs on the network	Mn MBs	1,497	1,278	17%	958	56%
Data Average Revenue Per User (ARPU)	US\$	0.6	0.6	11%	0.7	-6%
Data Usage per customer	MBs	198.5	183.8	8%	154.8	28%
Data Realization per MB	US¢	0.32	0.31	2%	0.43	-27%

Refer table 8.10.2 on page 48 for KPI's in constant currency.

4.10.2 Network & Coverage

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Sites on Network	Nos	6,633	6,583	50	6,086	547
<i>Of which no. of 3G sites</i>	Nos	1,684	684	1,000	671	1,013

4.10.3 Human Resource Analysis

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	Q-on-Q Growth	Dec 31, 2012	Y-on-Y Growth
Total Employees	Nos	794	764	30	735	59
Number of Customers per employee	Nos	10,612	10,919	(306)	10,195	417
Personnel cost per employee per month	US\$	2,605	2,558	2%	2,049	27%
Gross Revenue per employee per month	US\$	30,210	31,505	-4%	25,703	18%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India

A. Key Industry Developments

1. Notice Inviting Applications for Auction of Spectrum in 1800MHz and 900MHz dated 12th December 2013

DoT had issued the Notice Inviting Applications (NIA) for the Auction of Spectrum in 1800 MHz and 900 MHz on 12th December 2013. The Auction would be a Simultaneous Multiple Rounds Ascending (SMRA) process. As per the schedule, the auction shall commence from 3rd Feb 2014.

The Pan India reserve price of spectrum in 1800 MHz Band is Rs 1,765 crore (per MHz for 20 years) and the cumulative reserve price of Spectrum in 900 MHz Band in the 3 service areas of Mumbai, Delhi and Kolkata is Rs 813 crore (per MHz for 20 years).

Total Spectrum being auctioned in 900 MHz Band and in 1800 MHz Band –

- In 900 MHz Band – 46 MHz in the Service Areas of Delhi, Mumbai and Kolkata.
- In 1800 MHz Band – 403.20 MHz Pan India.

2. USSD based m-Banking Transaction

On November 26, 2013, TRAI has fixed a ceiling of Rs.1.50 per USSD session for m-banking. Further, TRAI has also made it mandatory for telecom operators to provide USSD connectivity to banks and their agents.

3. Telecom Consumer Protection (Seventh Amendment) Regulation 2013 dated 3rd December 2013

TRAI has now mandated that auto renewal of STVs for SMS and Data packs (having validity more than 7 days) by TSPs can only be done after taking a one-time explicit consent of the consumer for such renewals through a prescribed "opt-in" procedure.

The regulation also provide for a separate toll-free short code for "opting out" of auto renewal of STVs at any time through a defined procedure. Further, three days before the expiry of the validity period of STV, TSPs will have to provide, through SMS, information to the consumer regarding the due date of renewal, the charges for renewal, the terms and conditions of renewal, and the toll-free short code for deactivation of the STV.

4. The Telecom Commercial Communications Customer Preference (Fourteenth Amendment) Regulations, 2013

A large part of the menace of spam arises on account of the proliferation of unauthorized telemarketing activities. This amendment contains provisions that are intended to incentivize telemarketers to register with the TRAI and carry out their business through authorized channels. It provides for increasing the registration period for telemarketers from three to five years.

B. Key Company Developments

- Bharti Airtel was ranked no 1 in the category of service brands and ranked no 8 in the overall category in the "Brand Equity Most Trusted Brands 2013" highlighting the increase in Airtel's trust quotient among customers with initiatives like network monitoring, double consent for VAS, myPlan and wider reach with propositions such as Re 1 store.
- Bharti Airtel guaranteed US\$ 1.5 Bn Debut US dollar bond was awarded the 'Best Corporate Bond' in Asset Asian Awards 2013 by the asset magazine.
- Airtel's popular smart phone app – myairtel app won the "Service Innovation 2013" award at Aegis Graham Bell Awards 2013 as a recognition for empowering customers to effortlessly manage all Airtel services including broadband, digital TV and mobile connections from a single interface.
- Bharti Airtel launched myPlan - an industry first bouquet of customized & flexible postpaid plans enabling mobile customers to tailor-make their bill plans themselves as per their usage & preferences.
- Airtel Digital TV launched LIVE Tweets on TV – a revolutionary convergence of tweeting and television viewing. The concept is an innovation in the DTH industry across the world that allows customers to experience Twitter on TV.
- In line with the company's strategy to offer the most innovative and technologically advanced products & services to customers, Airtel launched the iPhone 5S, the most forward thinking smartphone in the world, and the colorful iPhone 5C in India bundled with attractive plans.
- Airtel partnered with Formula 1 for the 3rd consecutive year for the 2013 Formula One Airtel Indian Grand Prix and a host of brand activations were announced including showcase of this year's trophy design.

- Airtel Delhi Half Marathon 2013 was organized on December 15, 2013 and witnessed participation from some of the world's best distance running athletes and over 31,000 participants from across India.
- Bharti Airtel announced the launch of e-commerce platform – Shopify to its customers. Provisioned through Airtel's cloud platform, the end-to-end e-commerce solution is powered by Airtel's internet products like DSL and ILP enables SOHO customers and small and medium enterprises to create an online store to manage their e-commerce presence with great ease.
- Bharti Airtel partnered with Google India as one of the three top preferred partners as part of the 3-day Great Online Shopping Festival (GOSF) 2013 to offer exciting and value-for-money never before deals for customers shopping on www.airtel.in.
- Bharti Airtel rolled out its 3G services in Kohima, Nagaland expanding its 3G footprint in the NESA region.
- Bharti Airtel launched its annual mobile attitude survey – Airtel Mobitude for 2013 with interesting findings of the preferences and likes and dislikes of its over 190 million mobile customers.
- In order to ensure that VAS services are easily accessible to the customers, Airtel has launched a new unified VAS portal under a single short code 56789 offering close to 150 different entertainment services and content with an easier and intuitive interface.
- Bharti Airtel, through its fully owned subsidiary Airtel M Commerce Services Limited (AMSL), tied-up with National Payments Corporation of India (NPCI) to offer Mobile-based 24x7 availability of Money Transfer to customer through Immediate Payment Service (IMPS) across all states in India.
- Airtel Money App for Android & iOS platforms has been introduced to provide a powerful yet simple interface, along with the launch of Immediate Payments Service (IMPS), offering 24x7 availability of Money Transfers to customers.
- Airtel Digital TV - SD+ Recorder launch: "SD recorder box with unlimited recording using an external pen-drive" launched in Oct'13. Airtel Digital TV is now the only DTH player in country to offer recording on all types of its boxes.

5.2 International

A. Key Industry Developments

Nigeria

The Nigerian Communications Commission (NCC) has announced plans to license seven (7) Regional Fibre Operating Companies (Regional InfraCos) in 2014, and also auction spectrum in the 2.3 GHz band to a National Fixed Broadband Service Provider to

ensure widespread deployment of metro fibre and delivery of fixed broadband services on an open access model throughout the country.

Gabon

Airtel has been granted permission to provide 3G Services in the country.

Niger

The Regulator launched a tender for the grant of two 3G licenses. Deadline for submission is 30th January 2014.

Chad

The Finance Bill 2014 introduces two new taxes:

1. CFA 50 tax per minute for international incoming traffic, and
2. A 10% tax on postpaid bills

Zambia

The deadline for selling activated SIM cards was 15th December 2013. The final deadline for registration of SIM cards has been reaffirmed as 31st January 2014.

Kenya

The Regulator has demanded full compliance with KYC regulations and has set the deadline as 10th January, 2014.

The Central Bank has developed draft regulations that require operators to inter-operate the money services. The draft regulations also prohibit exclusivity at the retail trade.

Tanzania

Government of Tanzania has agreed to waive off SIM tax with the condition that Excise duty rate would be increased from 14.5% to 17% w.e.f 1st Jan 2014. The Excise Duty Act has been amended in the session of Parliament on 21st Dec 2013.

Ghana

VAT rate to be increased from 12.5% to 15%. The new Bill to increase the VAT rate has been passed by Parliament and it is awaiting the President's assent.

National Communications Authority has introduced an Annual Numbering Fees of \$0.04 per number.

Burkina Faso

The Parliament has passed the Finance Bill 2014 introducing a new tax of 5% of gross revenues of telecom operators. The Bill is yet to be signed by the President.

DRC

The Telecoms Minister has announced the Government's intention to launch the consultation process for the grant of 4G licences.

B. Key Company Developments

- Airtel is voted as one of Africa's top ten most admired global brands by African Business magazine in 2013
- Airtel Africa is voted as African Mobile Operator of the Year at the CommsMEA Awards 2013.
- Airtel Nigeria awarded recognition for "Personal Income Tax Compliance for Year 2012" under the corporate category given by Lagos State Board of Internal Revenue.
- Airtel Money awareness campaign, Mr Money, has been launched in almost all countries with great success.
- Airtel Money Uganda received a GSMA mWomen Innovation fund grant; this will address over 45,000 savings groups and a grant from Bill and Melinda Gates foundation managed together with IFC to address the distribution network.
- All countries have revamped the Airtel websites, which now features a mobile optimized design, dynamic page scrolling and improved consistent navigation structure.
- Airtel Music Express, a pan-African radio property, launched in all 17 countries during the quarter. This is an hour long weekly music countdown program.
- Nigeria, Ghana, and Kenya were all recognized for their digital marketing campaigns at the AfricaCom awards with Kenya bagging 2nd position in Best Mobile Marketing Campaign online
- In Bangladesh, 3G was commercially launched in Nov'13 and by the end of Dec'13, airtel rolled out more than 800 3G sites and acquired 75,000 3G customers.
- Airtel Bangladesh made strong position in the social media by building 1mn fans in Facebook page which is the highest in the country.

5.3 Results of Operations

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.

Key Highlights – For the quarter ended December 31, 2013

- Overall customer base at 287.4 Mn across 20 countries
- Net addition of 7.3 Mn customers
- Total revenues of Rs 219.4 Bn; Y-o-Y growth of 13.3%
- Mobile data revenues of Rs 17.36 Bn (up 105.2% Y-o-Y)
- EBITDA at Rs 70.9 Bn; Y-o-Y growth of 22.8%
- EBIT at Rs 31.7 Bn (up 55.6% Y-o-Y)
- Consolidated net income of Rs 6.1 Bn (up 115.1% Y-o-Y)

Bharti Airtel consolidated results for the quarter ended December 31, 2013

5.3.1 Bharti Airtel Consolidated

As on December 31, 2013, the Company had 287.4 Mn customers consisting of 275.2 Mn Mobile, 3.4 Mn Telemedia and Mn 8.8 Digital TV customers. The total customer base increased by 9.6% compared to the corresponding quarter last year. Total minutes of usage on the network were 301.1 Bn as compared to 284.0 Bn in the corresponding quarter last year, representing a growth of 6.0%. Data traffic grew significantly by 97.7% to 45.8 Bn MBs during the quarter as compared to 23.2 Bn MBs in the corresponding quarter last year.

During the quarter, consolidated revenues stood at Rs 219,385 Mn as compared to Rs 193,624 Mn in the corresponding quarter last year, an increase of 13.3%. Mobile data increased by 105.2% to Rs 17,357 Mn as compared to Rs 8,458 Mn in the corresponding quarter last year. Data revenue now represents 7.9% of the total revenues during the quarter as compared to 7.0% of the total revenues during the previous quarter. Mobile data contributed to 34.5% of the overall incremental revenue of the Company.

Net revenues, after netting of inter-connect costs and cost of goods sold increased by 16.6% to Rs 189,262 Mn as compared to Rs 162,331 Mn in the corresponding quarter last year. The acceleration in net revenues has been contributed by significant growth in data along with reduction in access costs in some countries. Operating expenses, excluding access costs, costs of goods sold and licence fees during the quarter increased by 13.3% to Rs 99,654 Mn as compared to Rs 87,931 Mn in the corresponding quarter last year.

The Company had an EBITDA of Rs 70,934 Mn during the quarter, an increase of 22.8% as compared to Rs 57,749 Mn in the corresponding quarter last year. EBITDA margin improved during the quarter to 32.3% as compared to 29.8% in the corresponding quarter last year. Depreciation and amortisation expenses amounted to Rs 39,188 Mn as compared to Rs 37,351 Mn in the corresponding quarter last year, which reflects an increase of 4.9%. Consequent to improved operating performance, EBIT for the quarter increased by 55.6% to Rs 31,746 Mn as compared to Rs 20,399 Mn in the corresponding quarter last year. Cash profits from operations (before derivative and exchange

fluctuations) during the quarter grew by 30.2% at Rs 62,401 Mn as compared to Rs 47,914 Mn in the corresponding quarter last year.

Net finance cost during the quarter came down by 13.2% to Rs 10,682 Mn as compared to Rs 12,309 Mn in the corresponding quarter last year. Interest costs at Rs 10,844 Mn during the quarter has increased by 2.9% compared to the corresponding quarter last year, while investment incomes have risen by 227.4% to Rs 2,310 Mn. Despite the volatility in the yields in the Indian market, cumulative investment incomes for the period of 9 months ended December 31, 2013 at Rs 4,305 Mn represents an 46.8% increase over Rs 2,932 Mn in the same period last year. Derivative and exchange losses for the quarter stood at Rs 2,148 Mn, compared to a loss of Rs 2,475 Mn in the corresponding quarter last year. Currency depreciation in Malawi, Ghana and Zambia, and an one-time hedge cost of the Euro bond proceeds were partly mitigated by the appreciating Rupee.

The resultant profit before tax and exceptional items for the quarter ended December 31, 2013 was Rs 22,128 Mn as compared to Rs 9,032 Mn in the corresponding quarter last year, an increase of 145.0%.

The consolidated income tax expense (before tax impact on exceptional items) for the period of 9 months ending December 31, 2013 is Rs 31,260 Mn, compared to Rs 17,930 Mn for the corresponding period last year. The effective tax rate in India for the period of 9 months came in at 26.7% (24.9% excluding dividend distribution tax) compared to 27.7% (24.9% excluding the impact of dividend distribution tax and additional deferred tax for increase in surcharge) for the full year ended March 31, 2013. Therefore, the underlying effective tax rate for the current year is in line with that of the last year. The tax charge in Africa for the period of 9 months at \$201 Mn (full year 2012-13: \$92 Mn) has been impacted by: i) significant rise in withholding taxes (to \$52 Mn) due to increased upstreaming from subsidiary companies, accounted for in accordance with IAS 12 'Income Taxes' and ii) one-off settlements and results of various tax assessments (net \$41 Mn).

After considering the impact of taxes and minority interests but before exceptional items, the consolidated net income for the quarter increased significantly by 193.1% to Rs 8,315 Mn, as compared to Rs 2,837 Mn in the corresponding period last year.

The consolidated operating free cash flow during the quarter was Rs 42,715 Mn as compared to Rs 35,617 Mn in the corresponding quarter last year, reflecting a growth of 19.9%.

In December 2013, Bharti Airtel International (Netherlands) BV (BAIN), a subsidiary of the Company has raised Euro 750 Mn by issuing 5-year non-convertible bonds having a coupon rate of 4% per annum payable in arrears. The non-convertible bonds, due in 2018, were issued at a price of 99.756%, the spread being MS + 300 bps. These notes are guaranteed by the Company and are listed on the Frankfurt Stock Exchange. Subsequently, in January 2014, BAIN has further raised Euro 250 Mn in a follow-on tap which was priced 25 bps inside of the December 2013 deal. While the first issue was over-subscribed 5 times, the tap was over-subscribed 2.4 times. These transactions were the first EUR bond issuance by an emerging market telecom corporate, and also the first EUR bond issuance by an Indian corporate. These transactions have also helped the Company to diversify its sources of funding, and provide a natural hedge to our business in Francophone Africa where the currencies are pegged to the Euro.

5.3.2 Exceptional Items

Exceptional items during the quarter resulted in a net loss of Rs. 2,213 Mn, comprising of : (i) a gain of Rs 674 Mn due to reversal of exceptional charge recorded in previous quarters, (ii) tax expense of Rs 2,762 Mn made up of (a) tax provision of Rs 2,572 Mn on account of settlement of various disputes and (b) a charge of Rs 190 Mn in respect of (i) above, and (iii) a charge of Rs 125 Mn being share of minority interests in respect of (i) and (ii) above.

5.3.3 B2C Services

5.3.3.1 Mobile Services (India)

As on December 31, 2013, the Company had 198.5 Mn GSM mobile customers on its network. The VLR ratio for the quarter improved to 95.3% as compared to 95.0% in the corresponding quarter last year. The customer acquisition and retention strategy continues to provide sustained benefit to the company, evidenced by the churn ratio dropping to a low of 2.7% from 5.9% in the corresponding quarter last year. Total minutes on network increased by 5.9% to 255.0 Bn as compared to 240.8 Bn in the corresponding quarter last year. Voice realization per minute continued its improving trend during the quarter; the realization of 37.13 paise reflects an increase of 1.96 paise over the corresponding quarter last year. The combined effect of a decrease in churn and an increased realization reflects the improving quality and stability of company's customer base. To drive adoption of postpaid connection, the company created a unique post-paid product 'MyPlan', wherein customers can choose a tailor-made postpaid plan according to their unique requirements.

The increasing customer need for data witnessed in the earlier quarters continued during this quarter as well. The Company had 54.4 Mn data customers as on December 31, 2013, representing a growth of 31.2% as compared to 41.5 Mn data customers at the end of the corresponding quarter last year. By the end of the quarter, 27.4% of the total

customer base were active data users as compared to 22.8% in the corresponding quarter last year. The total MBs on the network increased by 97.0% to 39.0 Bn MBs during the quarter as compared to 19.8 Bn MBs in the corresponding quarter last year. Data usage per customer also witnessed an increase of 54.4% to 249 MBs during the quarter as compared to 161 MBs in the corresponding quarter last year. Increase in total data consumption resulted in a higher data ARPU by 58.7% to Rs 75 during the quarter as compared to the corresponding quarter last year. The Company's 4G services in 4 cities are currently available for use with high-speed devices such as dongles and routers. During the quarter, the 4G customer base crossed the 100K milestone.

By the end of the quarter, the company had 137,069 sites as compared to 135,412 sites in the previous quarter. The company continued to invest in strengthening its network infrastructure with the deployment of 1,563 new 3G sites during the quarter, resulting in 28,179 active 3G sites by the end of the quarter. The increase in network sites will ensure a better customer experience, which also results in lower churn and improved ARPU.

Revenue from mobile services during the quarter was Rs 116,446 Mn as compared to Rs 106,994 Mn in the corresponding quarter last year, a growth of 8.8%. Revenue from data accounted for 10.3% of the total mobile revenue during the quarter as compared to 5.7% in the corresponding quarter last year. The sequential growth of 3.4% in consumer revenue during this quarter reflects the sustained growth momentum in the current year. However, the overall reported revenue growth of the Mobile segment is moderated due to a tactical reduction in low margin fiber connectivity business.

EBITDA during the quarter increased by 27.3% to Rs 39,748 Mn as compared to Rs 31,219 Mn in the corresponding quarter last year. Consequently, EBITDA margin significantly improved to 34.1% during the quarter as compared to 29.2% in the corresponding quarter last year. EBIT during the quarter was Rs 23,102 Mn as compared to Rs 15,219 Mn in the corresponding quarter last year. Improved operational performance also lifted EBIT margin during the quarter to 19.8% as compared to 14.2% in the corresponding quarter last year.

During the quarter, the mobile business incurred capital expenditure of Rs 13,529 Mn, mostly directed towards enabling data growth. The operating free cash flows also increased by 13.2% at Rs 26,219 Mn as compared to Rs 23,152 Mn in the corresponding quarter last year.

During the quarter, the company undertook initiatives at improving customer experience and usability of *Airtel Money*, the Company's semi-closed mobile wallet. *Airtel Money* tied up with National Payments Corporation of India to offer mobile based 24x7 availability of Money Transfer to customers. The airtel money app was launched for Android and iOS platforms, with more than 45K downloads in the first two months of its launch. The company had 1.3 Mn active subscriber base as on December 31, 2013 using the Airtel Money platform conducting a total of 30.5 Mn transactions during the quarter. The average value per transaction turned out to be Rs 406.

5.3.3.2 Telemedia Services

As on December 31, 2013, the Company had its Telemedia operations in 87 cities with 3.4 Mn customers, out of which approximately 1.5 Mn are broadband (DSL) customers, representing 43.4% of the total Telemedia customers. The company's improved speed offerings and focus on quality of acquisitions resulted in almost half of the new customers and 30% of the entire customer base subscribing to speeds of 4 Mbps and above.

For the quarter ended December 31, 2013, revenues from Telemedia operations stood at Rs 9,869 Mn as compared to Rs 8,938 Mn in the corresponding quarter last year, a growth of 10.4%. Due to increased network operating costs on managed services, focus on selling activities for higher bandwidth customers and higher marketing spends, EBITDA for the quarter was lower by 4.3% to Rs 3,574 Mn compared to Rs 3,735 Mn in the corresponding quarter last year. EBITDA margin for this segment was 36.2% during the quarter. EBIT for the quarter ended December 31, 2013 was Rs 1,278 Mn as compared to Rs 1,768 Mn in the corresponding quarter last year.

During the quarter ended December 31, 2013, the Company incurred a capital expenditure of Rs 823 Mn for Telemedia business. The operating free cash flow during the quarter was Rs 2,751 Mn as compared to Rs 2,990 Mn in the corresponding quarter last year.

5.3.3.3 Digital TV Services

As on December 31, 2013, the Company had its Digital TV operations in 639 districts with 8.8 Mn customers, an increase of 11.6% as compared to corresponding quarter last year. Net customer additions for Digital TV during the quarter increased to 235 K as compared to 120 K in the previous quarter, primarily driven by festivities during the quarter. ARPU increased by Rs 21, to an all-time high of Rs 207, as compared to Rs 186 in the corresponding quarter last year.

The multiplier impact of increased customer additions and higher realisations during the quarter, pushed up revenues from Digital TV services by 25.8% to Rs 5,384 Mn as compared to Rs 4,280 Mn in the corresponding quarter last year. Leveraging economies of scale, EBITDA for the quarter increased to Rs 970 Mn as compared to Rs 147 Mn in the corresponding quarter last year. Consequently, EBITDA margin improved significantly to 18.0% in the current quarter, as compared to a margin of 3.4% in the corresponding quarter last year.

During the current quarter, the Company incurred a capital expenditure of Rs 1,109 Mn in Digital TV Services. The cash burn during the quarter at Rs 139 Mn has significantly dropped, compared to Rs 1,204 Mn in the corresponding quarter last year.

5.3.4 B2B Services – India: Airtel Business

Revenues for the quarter ended December 31, 2013, represented a growth of 13.9% to Rs 16,195 Mn as compared to Rs 14,219 Mn in the corresponding quarter last year. EBITDA stood at Rs 4,139 Mn during the quarter as

compared to Rs 2,154 Mn in the corresponding quarter last year, a growth of 92.1%. The increase in EBITDA during the quarter was also helped by a one-time settlement with other carriers and bad debt recoveries from customers. During the quarter, the Company also tactically reduced the lower margin voice business. Consequently, EBIT for the current quarter increased by 267.8% to Rs 2,676 Mn as compared to Rs 728 Mn during the corresponding quarter last year. The year-to-date EBIT margin of 12.6% has improved from 4.6% in the same period last year, and this improvement is more reflective of the profitability trend of this business.

The Company incurred a capital expenditure of Rs 242 Mn in Airtel Business as compared to Rs 139 Mn in the corresponding quarter last year. Operating free cash flow during the quarter was Rs 3,897 Mn as compared to Rs 2,015 Mn in the corresponding quarter last year, a significant increase of 93.4%.

5.3.5 Tower Infrastructure Services

The financials of this segment reflect standalone operations of Bharti Infratel Limited (Infratel), a subsidiary of the company, with the interest in Indus Tower Ltd (Indus) disclosed under share of profits from Joint Ventures/ Associates.

Revenues from Tower Infrastructure Services for the quarter ended December 31, 2013 was Rs 12,592 Mn as compared to Rs 12,745 Mn in the corresponding quarter last year, a decrease of 1.2%. EBITDA during the quarter was Rs 5,344 Mn compared to Rs 5,674 Mn in the corresponding quarter last year, decrease of 5.8%. EBITDA margin during the quarter was 42.4% as compared to 44.5% in the corresponding quarter last year. EBIT for the quarter grew by 54.9% at Rs 2,739 Mn as compared to Rs 1,768 Mn in the corresponding quarter last year. EBIT margin has improved significantly to 21.7% in the current quarter from 13.9% in the corresponding quarter last year.

This business incurred a capital expenditure of Rs 1,679 Mn during the quarter. Operating free cash flows during the quarter were Rs 3,665 Mn as compared to Rs. 3,305 Mn in the corresponding quarter last year, a growth of 10.9%. The Company's share of the profits of Indus during the quarter came in at Rs 1,179 Mn, compared to Rs 982 Mn in the corresponding quarter last year.

As at the end of the quarter, Infratel had 35,515 towers with average sharing factor of 1.87 times. Including proportionate share of Indus in which Infratel holds 42%, on a consolidated basis, Infratel had 82,813 towers with an average sharing factor of 1.96 times.

5.3.6 International Operations

International represents operations across Africa and South Asia (Sri Lanka and Bangladesh). Revenue from international operations for the quarter ended December 31, 2013 increased by 3.9% to \$1,237 Mn as compared to \$ 1,190 Mn in the corresponding quarter last year. EBITDA during the quarter was \$306 Mn, an increase of 2.3% as compared to corresponding quarter last year. EBIT increased by 0.4% to \$59 Mn as compared to \$58 Mn in the corresponding quarter last year.

5.3.6.1 Africa

As on December 31, 2013, the Company had an aggregate customer base of 68.3 Mn. Net additions during the quarter were 1.9 Mn customers. Total minutes on network during the quarter were 28.3 Bn as compared to 26.2 Bn in the corresponding quarter last year, a growth of 8.0%. Voice realization during the quarter stayed at 3.31 cents as compared to 3.30 cents in the previous quarter, however, it reflects a decline of 9.9% from 3.68 cents in the corresponding quarter last year. Voice ARPU during the quarter was sustained at \$4.7, compared on a sequential quarter basis.

Data customers during the quarter increased by 39.2% to 19.6 Mn as compared to 14.1 Mn in the corresponding quarter last year. Data customers now represent 28.7% of the total customer base, as compared to 22.9% in the corresponding quarter last year. Driven by increase in user base and data usage per customer, data traffic has registered a strong growth of 119.7% Y-o-Y to 5.4 Bn MBs during the quarter as compared to 2.5 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was 98.6 MBs as compared to 58.3 MBs in the corresponding quarter last year, an increase of 69.0%. Data ARPU increased by 39.1% Y-o-Y to \$1.6 as compared to \$1.1 in the corresponding quarter last year.

During the quarter, the company launched several campaigns for the promotion and awareness of Airtel Money. The total customer base using the *Airtel Money* platform increased by a significant 50.9% to 2.73 Mn as compared to 1.81 Mn on a sequential quarter basis. The total number of transactions during the quarter was higher by 65.9% to 73.3 Mn in the current quarter as compared to 44.2 Mn in the previous quarter. Total value of transactions conducted using this platform increased by 97.5% to \$1,713 Mn in Q3 as compared to \$867 Mn in Q2 and \$448 Mn in Q1. The average value per transaction increased by \$3.7 to \$23.4 during the quarter, as compared to \$19.6 in the previous quarter. The increase in the number of customers and the transaction value reflects wider and greater acceptability of airtel money as a reliable medium for conducting a hassle-free and safe transaction, especially in geographies which are relatively under-banked.

The Company had 17,565 network sites by the end of the quarter as compared to 16,371 network sites in the corresponding quarter last year, an increase of 7.3%. 3G sites at 6,675 represented 38.0% of the total sites as at the end of the quarter, as compared to 33.8% in the corresponding quarter last year.

Revenue for the quarter was \$1,165 Mn as compared to \$1,133 Mn in the corresponding quarter last year, representing a growth of 2.8%. Mobile data revenue grew by 92.4% to \$85.6 Mn during the quarter as compared to \$44.5 Mn in the corresponding quarter last year. Mobile data revenue now represents 7.4% of the total mobile revenue during the quarter as compared to 3.9% in the corresponding quarter last year. After accounting for reduction in inter-connect charges in some of the countries and scaling down of device sales, net revenue at \$960 Mn reflects a 6.6% growth Y-o-Y.

Overall opex increased by 11.0% Y-o-Y to \$606 Mn on account of increased network expenses due to site roll-outs and energy cost inflation, planned increases in selling & distribution cost for promotions of 'Airtel Money' and intensified marketing spends. Consequently, EBITDA during the quarter stayed stable at \$300 Mn as compared to the corresponding quarter last year. The resultant EBIT for the quarter was \$77 Mn as compared to \$80 Mn in the corresponding quarter last year. After accounting for finance costs and taxes, the net loss for the quarter was \$154 Mn as compared to a loss of \$96 Mn in the corresponding quarter last year.

Capital expenditure during the quarter was \$140 Mn for African operations. The operating free cash flows stood at \$160 Mn, as against \$140 Mn in the corresponding quarter last year, representing Y-o-Y increase of 14.2%.

5.3.6.2 South Asia

As on December 31, 2013, the Company had 8.4 Mn GSM mobile customers on its network. Minutes of usage for the quarter were 10.5 Bn as compared to 9.2 Bn in the corresponding quarter last year, an increase of 14.0%.

Data customers represented 32.9% of the total customer base in the current quarter as compared to 28.2% in the corresponding quarter last year. Total data consumption during the quarter increase by 56.3% to 1.50 Bn MBs as compared to 0.96 Bn MBs in the corresponding quarter last year. Data usage per customer also increased to 198.5 MBs, a growth of 28.2% as compared to 154.8 MBs in the corresponding quarter last year.

By the end of the quarter, the company had 6,633 sites on network as compared to 6,086 sites in the corresponding quarter last year. During the quarter, the company successfully launched 3G services in top 3 cities of Bangladesh – Dhaka, Chittagong and Sylhet. To drive 3G customer adoptions, the company also launched innovative and competitive 3G combo packs and device bundling.

Political uncertainty in Bangladesh affected the country's economy. The telecom sector also suffered due to repeated trade and business disruption during the run-up to the national elections. Revenue from operations in South Asia stood at \$72.0 Mn for the quarter ended December 31, 2013, an increase of 27.0% as compared to \$56.7 Mn in the corresponding quarter last year. Data revenue grew by 19.9% to \$4.7 Mn as compared to \$3.9 Mn in the previous quarter. Data revenue now represents 6.6% of mobile revenue during the quarter as compared to 5.4% in the previous quarter. EBITDA for the quarter was positive at \$5.0 Mn as compared to EBITDA loss of \$1.6 Mn in the corresponding quarter last year. EBIT losses during the quarter reduced to \$18.2 Mn as compared to \$21.7 Mn in the corresponding quarter last year.

During the quarter ended December 31, 2013, the Company incurred capital expenditure of \$34 Mn for South Asian operations as compared to \$8 Mn in the corresponding quarter last year.

5.4 Bharti's Three Line Graph

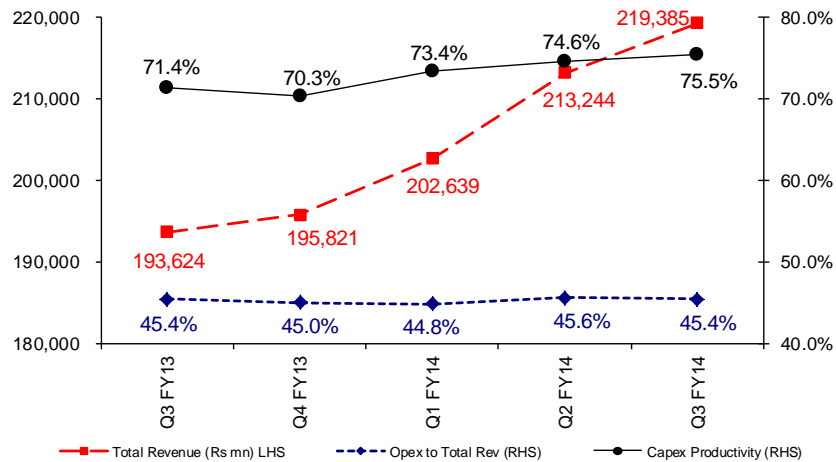
The Company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

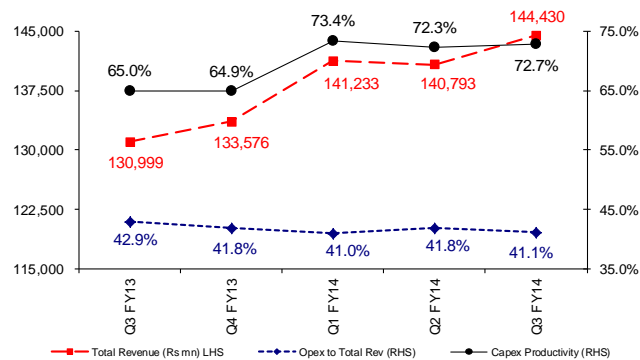
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – this is computed by dividing operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs (ii) network operations costs and (iii) selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

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

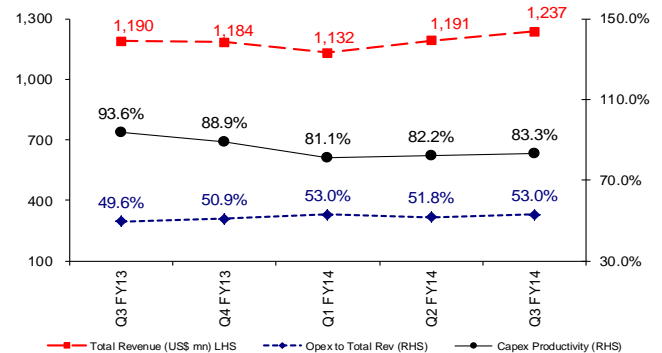
5.4.1 Bharti Airtel Consolidated



5.4.2 Bharti Airtel - India



5.4.3 Bharti Airtel – International



SECTION 6

STOCK MARKET HIGHLIGHTS

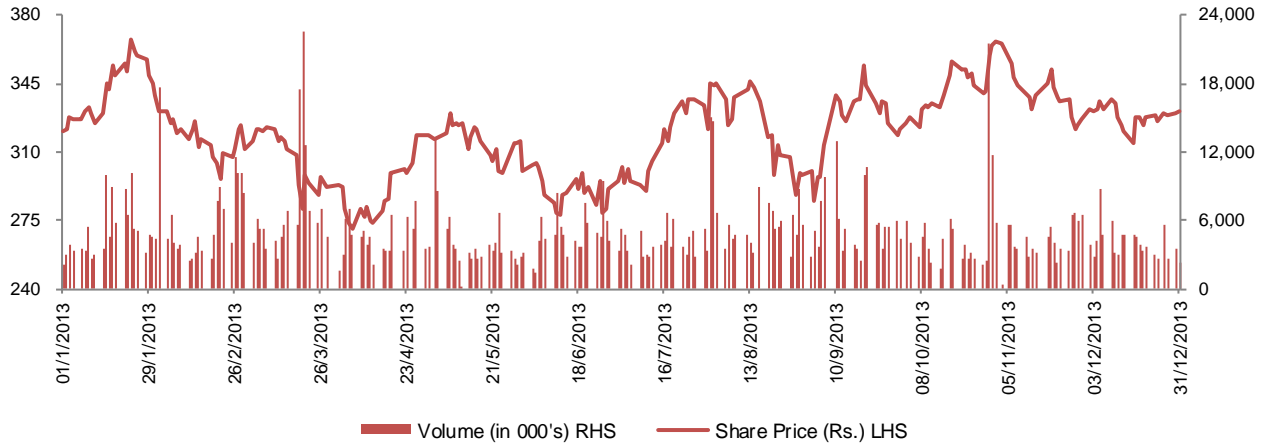
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (31/12/13)	Mn Nos	3,997.40
Closing Market Price - BSE (31/12/13)	Rs /Share	330.45
Combined Volume (NSE & BSE) (01/10/13 - 31/12/13)	Nos in Mn/day	5.11
Combined Value (NSE & BSE) (01/10/13 - 31/12/13)	Rs bn /day	1.64
Market Capitalization	Rs bn	1,321
Market Capitalization	US\$ bn	21.34
Book Value Per Equity Share	Rs /share	148.25
Market Price/Book Value	Times	2.23
Enterprise Value	Rs bn	1,897
Enterprise Value	US\$ bn	30.65
Enterprise Value/ EBITDA (LTM)	Times	7.15
P/E Ratio (LTM)	Times	55.52

6.2 Summarized Shareholding pattern as of December 31, 2013

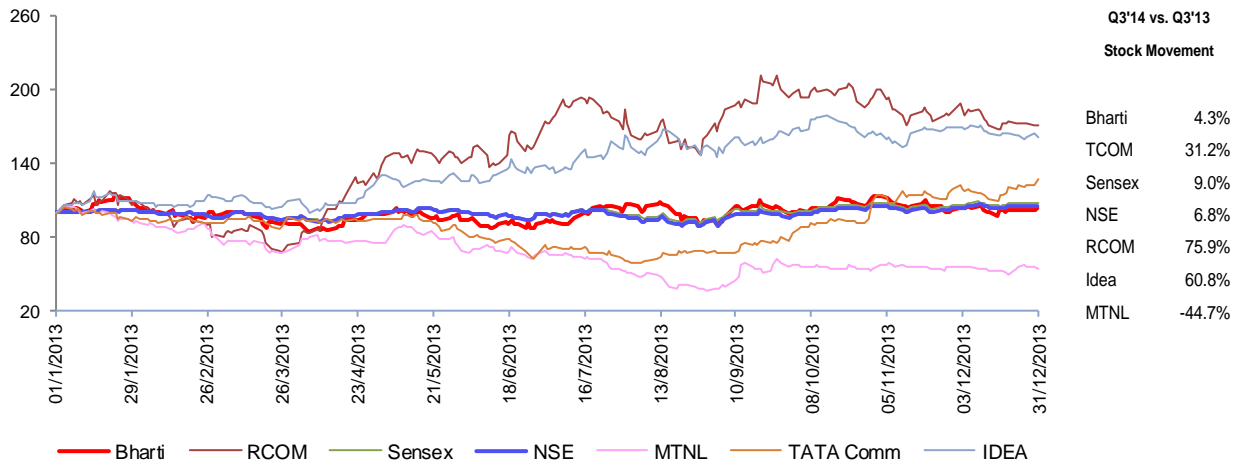
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,741,830,892	43.57%
Foreign	865,673,286	21.66%
Sub total	2,607,504,178	65.23%
Public Shareholding		
Institutions	980,398,590	24.53%
Non-institutions	409,497,334	10.24%
Sub total	1,389,895,924	34.77%
Total	3,997,400,102	100.00%

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



Source: Bloomberg

6.4 Comparison of Domestic Telecom Stock movement with Sensex and Nifty



Source: Bloomberg

SECTION 7

DETAILED FINANCIAL AND RELATED INFORMATION

7.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS)

7.1.1 Consolidated Statement of Income

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Revenue	219,385	193,624	13%	635,268	573,224	11%
Other operating income	222	135	64%	762	323	136%
Operating expenses	(148,673)	(136,009)	9%	(431,326)	(401,572)	7%
Depreciation & amortisation	(39,188)	(37,351)	5%	(117,052)	(110,144)	6%
Profit / (Loss) from operations	31,746	20,399	56%	87,652	61,831	42%
Share of results of Joint Ventures / Associates	1,064	943		3,538	2,631	
Profit / (Loss) before interest and tax	32,810	21,342	54%	91,190	64,462	41%
Finance income	2,478	868	186%	4,319	3,423	26%
Finance costs	(13,160)	(13,177)	0%	(42,788)	(32,349)	32%
Exceptional (expenses) / income, net	674	0		2,107	0	
Profit / (Loss) before tax	22,802	9,030	153%	54,828	35,536	54%
Income tax income / (expense)	(16,569)	(6,190)	168%	(34,887)	(17,929)	95%
Net income / (loss) for the period	6,233	2,840	119%	19,941	17,607	13%
Income Attributable to :						
Equity holders of the parent	6,102	2,837	115%	18,111	17,671	2%
Non controlling interests	131	3	4267%	1,830	(65)	-2915%
Net Income / (Loss)	6,233	2,840	119%	19,941	17,606	13%
Earning Per Share						
Basic, profit attributable to equity holders of parent (In Rs)	1.53	0.75		4.60	4.66	
Diluted, profit attributable to equity holders of parent (In Rs)	1.53	0.75		4.59	4.66	

7.1.2 Consolidated Statement of Comprehensive Income

Particulars	Quarter Ended			Nine Months Ended		
	Dec-13	Dec-12	Y-on-Y Growth	Dec-13	Dec-12	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Net income / (loss) for the period	6,233	2,840	119%	19,941	17,607	13%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(1,194)	3,583	133%	20,115	(19,123)	-205%
Income tax effect	0	0		(150)	0	
	(1,194)	3,583	133%	19,964	(19,123)	-204%
Items that will not be reclassified to profit or loss:						
Actuarial gains/(losses) on defined benefit plans	(16)	0		(186)	0	
Income tax effect	3	0		35	0	
	(13)	0		(151)	0	
Other comprehensive income / (loss) for the period, net of tax	(1,207)	3,583	134%	19,813	(19,123)	-204%
Total comprehensive income / (loss) for the period, net of tax	5,027	6,423	22%	39,754	(1,516)	-2723%
Total comprehensive income / (loss) attributable to :						
Equity holders of the parent	4,808	6,447	25%	38,467	(1,571)	-2549%
Non controlling interests	218	(24)	-1007%	1,288	55	2225%
Total Comprehensive Income / (Loss)	5,026	6,423	22%	39,755	(1,516)	-2723%

7.1.3 Consolidated Statement of Financial Position

Amount in Rs mn

Particulars	As at Dec 31, 2013	As at Dec 31, 2012	As at Mar 31, 2013 ³⁹
Assets			
Non-current assets			
Property, plant and equipment	605,396	638,001	638,277
Intangible assets	772,779	659,906	648,386
Investment in joint ventures / associates	54,983	10,436	11,552
Investment (non-current)	38,333	0	0
Derivative financial assets	3,513	3,812	3,566
Other financial assets	17,235	15,864	16,326
Other non - financial assets	24,498	17,753	18,749
Deferred tax asset	65,996	58,042	58,491
	1,582,733	1,403,814	1,395,347
Current assets			
Inventories	1,442	1,252	1,109
Trade and other receivable	62,141	70,002	67,824
Derivative financial assets	1,323	1,684	1,097
Prepayments and other assets	30,545	35,063	30,860
Income tax recoverable	6,185	8,097	10,093
Short term investments	87,161	66,897	65,546
Other financial assets	9,030	13,078	4,299
Cash and cash equivalents	25,378	25,764	16,078
	223,205	221,837	196,906
Total assets	1,805,938	1,625,651	1,592,253
Equity and liabilities			
Equity			
Issued capital	19,987	18,988	18,988
Treasury shares	-415	-720	-674
Share premium	123,456	56,499	56,499
Retained earnings / (deficit)	427,548	408,941	414,027
Foreign currency translation reserve	-12,064	-25,269	-32,571
Other components of equity	34,085	57,835	46,948
Equity attributable to equity holders of parent	592,597	516,274	503,217
Non-controlling interest	41,088	41,981	40,886
Total equity	633,685	558,255	544,103
Non-current liabilities			
Borrowing	562,577	552,831	569,137
Deferred revenue	12,430	9,445	9,685
Provisions	9,302	7,991	9,744
Derivative financial liabilities	6,679	657	893
Deferred tax liability	15,822	11,755	12,556
Other financial liabilities	24,407	26,405	23,204
Other non - financial liabilities	1,438	2,423	2,384
	632,655	611,507	627,603
Current liabilities			
Borrowing	170,563	125,220	98,226
Deferred revenue	45,832	38,435	39,560
Provisions	1,680	1,562	1,768
Other non - financial liabilities	20,749	17,361	13,245
Derivative financial liabilities	1,051	491	219
Income tax liabilities	14,478	5,173	7,627
Trade & other payables	285,245	267,647	259,902
	539,598	455,889	420,547
Total liabilities	1,172,253	1,067,396	1,048,150
Total equity and liabilities	1,805,938	1,625,651	1,592,253

7.1.4 Consolidated Statement of Cash Flows

Particulars	Quarter Ended		Nine Months Ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Cash flows from operating activities				
Profit before tax	22,802	9,030	54,828	35,535
Adjustments for -				
Depreciation and amortization	39,188	37,351	117,052	110,144
Finance income	(2,478)	(868)	(4,319)	(3,423)
Finance cost	13,160	13,177	42,788	32,349
Share of results of Joint ventures / associates	(1,064)	(943)	(3,538)	(2,631)
Exceptional items	(229)	0	(2,481)	0
Amortization of stock based compensation	69	147	(47)	261
Other non-cash items	(219)	59	(543)	360
Operating cash flow before changes in assets and liabilities	71,229	57,953	203,740	172,595
Trade & other receivables and prepayments	(7,132)	14,450	4,310	(7,392)
Inventories	191	117	(141)	98
Trade and other payables	522	(1,818)	29,762	30,378
Change in provision	(212)	(26)	2,545	864
Other financial and non financial liabilities	8,709	2,479	10,850	2,732
Other financial and non financial assets	(4,462)	(4,601)	(6,865)	(1,287)
Cash generated from operations	68,845	68,554	244,201	197,988
Interest received	372	155	2,210	788
Dividend received	0	0	2,200	4,050
Income tax paid	(9,595)	(7,772)	(24,237)	(23,438)
Net cash inflow from operating activities	59,622	60,937	224,374	179,388
Cash flows from investing activities				
Purchase of property, plant and equipment	(18,952)	(33,248)	(92,585)	(93,421)
Proceeds from sale of property, plant and equipment ^{1b}	431	814	4,203	1,403
Purchase of intangible assets	(943)	(1,221)	(7,412)	(3,346)
Short term investments (Net)	(23,351)	(50,004)	(50,732)	(49,817)
Purchase of non-current investments	(6,342)	0	(8,842)	0
Investment in subsidiary, net of cash acquired	0	0	(3,675)	0
Demerger of subsidiary	0	0	(8,009)	0
Investment in associate / joint venture	(2)	0	(2)	(9,281)
Loan to associates	(60)	0	(30,279)	(100)
Net cash outflow from investing activities	(49,219)	(83,659)	(197,333)	(154,562)
Cash flows from financing activities				
Proceeds from issuance of borrowings	114,756	63,206	215,202	181,299
Repayment of borrowings	(106,391)	(52,138)	(256,317)	(198,766)
Short term borrowings (net)	(2,092)	612	2,751	(2,028)
Purchase of Treasury stock	0	0	0	(762)
Interest paid	(10,059)	(11,106)	(30,208)	(28,263)
Proceeds from exercise of stock options	7	13	33	57
Dividend paid (including tax) to Company's shareholders	0	0	(4,439)	(4,412)
Dividend paid (including tax) to non - controlling interests	(392)	0	(2,296)	(1,029)
Proceeds from issuance of equity shares to non - controlling interests	0	32,303	0	32,303
Share issue expenses	-	(646)	-	(646)
Proceeds from issuance of equity shares to institutional investor	0	0	67,956	0
Payment of long term liability / acquisition of non-controlling interest	(2,153)	0	(5,981)	0
Net cash inflow / (outflow) from financing activities	(6,324)	32,244	(13,299)	(22,247)
Net (decrease) / increase in cash and cash equivalents ¹⁵ during the period	4,079	9,522	13,742	2,579
Effect of exchange rate changes on cash and cash equivalents	(301)	(726)	(1,211)	(1,487)
Add : Balance as at the beginning of the period	10,065	(52)	1,312	7,652
Balance as at the end of the period	13,843	8,744	13,843	8,744

Note 15: Cash and Cash Equivalents is including bank overdraft.

7.2 Schedules to Financial Statements

7.2.1 India

7.2.1.1 Schedule of Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Access charges	17,613	19,622	54,534	56,291
Licence fees, revenue share & spectrum charges	15,342	13,486	45,310	40,615
Network operations costs	36,429	32,634	105,927	94,345
Cost of goods sold	457	314	937	758
Employee costs	5,529	4,886	16,610	14,256
Selling, general and administration expense	17,422	18,717	53,589	59,151
Operating Expenses	92,792	89,659	276,907	265,416

7.2.1.2 Schedule of Depreciation & Amortization

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Depreciation	20,692	21,106	63,207	62,444
Amortization	3,181	3,171	9,598	9,076
Depreciation and Amortization ¹⁶	23,873	24,277	72,805	71,520

Note 16: Depreciation and Amortization reported above for the quarter ended and nine months ended December 31, 2013, excludes the impact of exceptional items. Refer section 5.3.2 on "Exceptional Items" on page 23 for details.

7.2.1.3 Schedule of Income Tax

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Current tax expense	7,498	3,389	17,546	13,263
Deferred tax expense / (income)	690	426	8	(414)
Dividend distribution tax	1,265	0	1,444	657
Income tax expense ¹⁷	9,453	3,815	18,998	13,506

Note 17: Income tax expense reported above for the quarter ended and nine months ended December 31, 2013, excludes the impact of exceptional items. Refer section 5.3.2 on "Exceptional Items" on page 23 for details.

7.2.2 Africa

7.2.2.1 Schedule of Operating Expenses

Amount in US\$ mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Access charges	192	200	523	599
Licence fees, revenue share & spectrum charges	54	55	171	147
Network operations costs	216	200	622	569
Cost of goods sold	13	34	44	76
Employee costs	96	91	296	261
Selling, general and administration expense	294	254	810	772
Operating Expenses	865	833	2,466	2,424

7.2.2.2 Schedule of Depreciation & Amortization

Amount in US\$ mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Depreciation	179	155	531	456
Amortization	45	65	138	195
Depreciation and Amortization ¹⁸	224	220	669	651

Note 18: Depreciation and Amortization reported above for the nine months ended December 31, 2013, excludes the impact of exceptional items.

7.2.2.3 Schedule of Income Tax

Amount in US\$ mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Current tax expense	69	45	160	114
Withholding taxes (WHT)	9	7	52	18
Deferred tax expense / (income)	(8)	(8)	(11)	(52)
Income tax expense ¹⁹	70	44	201	80

Note 19: Income tax expense reported above for the quarter ended and nine months ended December 31, 2013, excludes the impact of exceptional items. Refer section 5.3.2 on "Exceptional Items" on page 23 for details.

7.2.3 South Asia

7.2.3.1 Schedule of Operating Expenses

Amount in US\$ mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Access charges	13	8	37	22
Licence fees, revenue share & spectrum charges	3	6	17	17
Network operations costs	21	18	62	56
Cost of goods sold	1	0	3	2
Employee costs	6	5	17	13
Selling, general and administration expense	23	22	66	68
Operating Expenses	67	59	202	178

7.2.3.2 Schedule of Depreciation & Amortization

Amount in US\$ mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Depreciation	20	18	58	50
Amortization	3	2	7	7
Depreciation and Amortization	23	20	65	57

7.3 Consolidated Schedule of Net Debt & Finance Cost

7.3.1 Schedule of Net Debt in INR

Particulars	<i>Amount in Rs mn</i>		
	As at Dec 31, 2013	As at Dec 31, 2012	As at Mar 31, 2013
Long term debt, net of current portion	562,577	552,831	569,137
Short-term borrowings and current portion of long-term debt	170,563	125,220	98,226
Less:			
Cash and Cash Equivalents	25,378	25,764	16,078
Restricted Cash	1,624	1,399	2,015
Restricted Cash, non-current	4,214	54	157
Investments	125,494	66,897	65,546
Net Debt	576,430	583,937	583,567

7.3.2 Schedule of Net Debt in US\$

Particulars	<i>Amount in US\$ mn</i>		
	As at Dec 31, 2013	As at Dec 31, 2012	As at Mar 31, 2013
Long term debt, net of current portion	9,089	10,092	10,464
Short-term borrowings and current portion of long-term debt	2,755	2,286	1,806
Less:			
Cash and Cash Equivalents	410	470	296
Restricted Cash	26	26	37
Restricted Cash, non-current	68	1	3
Investments	2,027	1,221	1,205
Net Debt	9,313	10,660	10,729

7.3.3 Schedule of Finance Cost

Particulars	<i>Amount in Rs mn</i>			
	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Interest on borrowings & Finance charges	10,844	10,540	31,868	30,739
Derivatives and exchange (gain)/ loss	2,148	2,475	10,906	1,119
Investment (income)/ loss	(2,310)	(706)	(4,305)	(2,932)
Finance cost (net)	10,682	12,309	38,469	28,926

7.4 Use of Non-GAAP Financial Information

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

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

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit / (Loss) from Operating Activities	Page 36
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit / (Loss) from Operating Activities	Page 36
Capex	NA	NA
Operating Free Cash flow	NA	NA
Cumulative investments	NA	NA

7.4.1 Reconciliation of Non-GAAP financial information based on IFRS

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-13	Dec-12	Dec-13	Dec-12
Profit / (Loss) from Operating Activities To EBITDA				
Profit / (Loss) from Operating Activities	31,746	20,399	87,652	61,831
Add: Depreciation and Amortization	39,188	37,351	117,052	110,144
EBITDA	70,934	57,749	204,704	171,974
Reconciliation of Finance Cost				
Finance Cost	13,160	13,177	42,788	32,349
Finance Income	(2,478)	(868)	(4,319)	(3,423)
Finance Cost (net)	10,682	12,309	38,469	28,926
Profit / (Loss) from Operating Activities to Cash Profit from Operations before Derivative & Exchange Fluctuation				
Profit / (Loss) from Operating Activities	31,746	20,399	87,652	61,831
Add: Depreciation and Amortization	39,188	37,351	117,052	110,144
Less: Finance Cost (net)	10,682	12,309	38,469	28,926
Add: Derivatives and exchange (gain)/loss	2,148	2,475	10,906	1,119
Cash Profit from Operations before Derivative & Exchange Fluctuation	62,401	47,914	177,141	144,169

Section 8

TRENDS AND RATIO ANALYSIS

8.1 Based on Statement of Operations

Consolidated

Amount in Rs mn

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	219,385	213,244	202,639	195,821	193,624
Access charges	28,756	27,475	26,961	27,500	29,156
Cost of goods sold	1,367	897	1,497	2,825	2,137
Net revenue	189,262	184,872	174,181	165,496	162,331
Operating Expenses (excluding access charges, cost of goods sold & license fee)	99,654	97,170	90,869	88,061	87,931
Licence Fee	18,896	19,565	18,219	16,933	16,785
EBITDA	70,934	68,321	65,449	60,605	57,749
Cash profit from operations before Derivative and Exchange Fluctuations	62,401	55,629	59,113	51,475	47,914
EBIT	31,746	28,927	26,979	22,601	20,399
Share of results of Joint Ventures/Associates	1,064	1,652	822	875	943
Profit before tax	22,128	14,468	16,125	12,318	9,032
Net income	6,102	5,120	6,889	5,086	2,837
Capex	28,219	21,391	22,954	32,878	22,132
Operating Free Cash Flow (EBITDA - Capex)	42,715	46,930	42,495	27,727	35,617
Cumulative Investments	2,103,006	2,094,302	2,010,123	1,861,643	1,837,905

	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
As a % of Total Revenues					
Access charges	13.1%	12.9%	13.3%	14.0%	15.1%
Cost of goods sold	0.6%	0.4%	0.7%	1.4%	1.1%
Net revenue	86.3%	86.7%	86.0%	84.5%	83.8%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	45.4%	45.6%	44.8%	45.0%	45.4%
Licence Fee	8.6%	9.2%	9.0%	8.6%	8.7%
EBITDA	32.3%	32.0%	32.3%	30.9%	29.8%
Cash profit from operations before Derivative and Exchange Fluctuations	28.4%	26.1%	29.2%	26.3%	24.7%
EBIT	14.5%	13.6%	13.3%	11.5%	10.5%
Share of results of JV / Associates	0.5%	0.8%	0.4%	0.4%	0.5%
Profit before tax	10.1%	6.8%	8.0%	6.3%	4.7%
Net income	2.8%	2.4%	3.4%	2.6%	1.5%

Refer Note 5, 6, on page 6

India

Amount in Rs mn

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	144,430	140,793	141,233	133,576	130,999
Access charges	17,613	17,780	19,141	18,338	19,622
Cost of goods sold	457	166	314	406	314
Net revenue	126,360	122,847	121,778	114,832	111,063
Operating Expenses (excluding access charges, cost of goods sold & license fee)	59,380	58,905	57,840	55,863	56,237
Licence Fee	15,342	15,152	14,816	13,828	13,486
EBITDA	51,970	49,053	49,316	45,238	41,452
EBIT	28,097	25,184	24,253	20,353	17,175
Profit before tax	29,826	19,374	20,785	18,320	13,501
Net income (before exceptional items)	19,377	14,010	14,788	10,846	8,864
Capex	17,421	10,429	12,800	18,794	13,002
Operating Free Cash Flow (EBITDA - Capex)	34,549	38,624	36,517	26,443	28,450
Cumulative Investments	1,155,724	1,140,587	1,127,138	1,081,133	1,060,504

	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
As a % of Total Revenues					
Access charges	12.2%	12.6%	13.6%	13.7%	15.0%
Cost of goods sold	0.3%	0.1%	0.2%	0.3%	0.2%
Net revenue	87.5%	87.3%	86.2%	86.0%	84.8%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	41.1%	41.8%	41.0%	41.8%	42.9%
Licence Fee	10.6%	10.8%	10.5%	10.4%	10.3%
EBITDA	36.0%	34.8%	34.9%	33.9%	31.6%
EBIT	19.5%	17.9%	17.2%	15.2%	13.1%
Profit before tax	20.7%	13.8%	14.7%	13.7%	10.3%
Net income	13.4%	10.0%	10.5%	8.1%	6.8%

Refer Note 7 on page 7

International – Comprises of Africa and South Asia

In INR:

Amount in Rs mn

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	76,763	74,795	63,222	64,099	64,775
Access charges	12,694	11,736	9,386	10,606	11,323
Cost of goods sold	910	738	1,183	2,419	1,823
Net revenue	63,159	62,321	52,653	51,073	51,629
Operating Expenses (excluding access charges, cost of goods sold & license fee)	40,665	38,677	33,392	32,636	32,073
Licence Fee	3,554	4,413	3,403	3,105	3,299
EBITDA	18,965	19,268	16,063	15,358	16,297
EBIT	3,651	3,742	2,656	2,238	3,223
Profit before tax	(7,872)	(4,263)	(3,996)	(6,011)	(4,469)
Net income (before exceptional items)	(11,237)	(7,904)	(7,034)	(5,768)	(6,028)
Capex	10,798	10,962	10,155	14,084	9,130
Operating Free Cash Flow (EBITDA - Capex)	8,167	8,306	5,908	1,274	7,167
Cumulative Investments	947,282	953,715	882,985	780,510	777,401
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
As a % of Total Revenues					
Access charges	16.5%	15.7%	14.8%	16.5%	17.5%
Cost of goods sold	1.2%	1.0%	1.9%	3.8%	2.8%
Net revenue	82.3%	83.3%	83.3%	79.7%	79.7%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	53.0%	51.7%	52.8%	50.9%	49.5%
Licence Fee	4.6%	5.9%	5.4%	4.8%	5.1%
EBITDA	24.7%	25.8%	25.4%	24.0%	25.2%
EBIT	4.8%	5.0%	4.2%	3.5%	5.0%
Profit before tax	-10.3%	-5.7%	-6.3%	-9.4%	-6.9%
Net income	-14.6%	-10.6%	-11.1%	-9.0%	-9.3%

In USD:

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	1,237	1,191	1,132	1,184	1,190
Access charges	205	187	167	196	208
Cost of goods sold	14	12	21	45	34
Net revenue	1,018	992	944	944	949
Operating Expenses (excluding access charges, cost of goods sold & license fee)	656	617	600	603	590
Licence Fee	57	70	61	57	61
EBITDA	306	306	286	284	299
EBIT	59	58	46	41	58
Profit before tax	(127)	(69)	(73)	(111)	(83)
Net income (before exceptional items)	(181)	(126)	(126)	(107)	(112)
Capex	174	175	181	260	168
Operating Free Cash Flow (EBITDA - Capex)	132	131	106	23	130
Cumulative Investments	15,304	15,192	14,790	14,350	14,192
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
As a % of Total Revenues					
Access charges	16.5%	15.7%	14.8%	16.5%	17.5%
Cost of goods sold	1.2%	1.0%	1.8%	3.8%	2.8%
Net revenue	82.3%	83.3%	83.4%	79.7%	79.7%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	53.0%	51.8%	53.0%	50.9%	49.6%
Licence Fee	4.6%	5.9%	5.4%	4.8%	5.1%
EBITDA	24.7%	25.7%	25.3%	23.9%	25.1%
EBIT	4.7%	4.9%	4.1%	3.5%	4.9%
Profit before tax	-10.3%	-5.8%	-6.4%	-9.4%	-7.0%
Net income	-14.6%	-10.6%	-11.1%	-9.1%	-9.4%

Refer Note 7 on page 7

Africa

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	1,165	1,119	1,062	1,120	1,133
Access charges	192	174	157	186	200
Cost of goods sold	13	11	20	44	33
Net revenue	960	934	885	890	900
Operating Expenses (excluding access charges, cost of goods sold & license fee)	606	570	551	555	546
Licence Fee	54	63	54	51	55
EBITDA	300	301	283	285	300
EBIT	77	75	64	62	80
Profit before tax	(100)	(48)	(50)	(91)	(64)
Net income (before exceptional items)	(154)	(105)	(106)	(90)	(96)
Interest expense on acquisition loans	51	49	49	42	43
Net income from operations (before exceptional items)	(103)	(56)	(57)	(48)	(53)
Capex	140	154	165	235	160
Operating Free Cash Flow (EBITDA - Capex)	160	148	118	50	140
Cumulative Investments	14,289	14,210	13,947	13,543	13,429

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Exchange Fluctuation Impact					
Reported revenues (US\$ Mn)	1,165	1,119	1,062	1,120	1,133
a. QoQ growth (%)	4.11%	5.36%	-5.22%	-1.15%	3.37%
b. Impact of exchange fluctuation (%) ²⁰	0.07%	0.01%	-0.23%	-0.36%	0.02%
c. QoQ growth in constant currency (%) (a - b)	4.05%	5.35%	-4.99%	-0.78%	3.35%
Revenues in constant currency (US\$ Mn) ²¹	1,165	1,120	1,063	1,119	1,127

Note 20: Based on Q-o-Q variation and weighted on the revenues of each country for the current quarter

Note 21: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended December 31, 2013.

	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
As a % of Total Revenues					
Access charges	16.5%	15.6%	14.8%	16.6%	17.6%
Cost of goods sold	1.1%	0.9%	1.9%	3.9%	3.0%
Net revenue	82.4%	83.5%	83.3%	79.5%	79.4%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	52.0%	50.9%	51.9%	49.5%	48.2%
Licence Fee	4.6%	5.7%	5.1%	4.5%	4.8%
EBITDA	25.8%	26.9%	26.7%	25.4%	26.5%
EBIT	6.6%	6.7%	6.1%	5.5%	7.1%
Profit before tax	-8.5%	-4.3%	-4.7%	-8.2%	-5.7%
Net income from operations	-8.8%	-5.0%	-5.4%	-4.3%	-4.7%

South Asia

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total Revenues	72	72	70	64	57
Access charges	13	13	11	10	8
Cost of goods sold	1	1	1	0	0
Net revenue	58	58	58	53	49
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49	47	48	48	44
Licence Fee	3	7	7	6	6
EBITDA	5	4	3	(1)	(2)
EBIT	(18)	(17)	(18)	(21)	(22)
Profit before tax	(27)	(21)	(23)	(20)	(19)
Net income (before exceptional items)	(28)	(21)	(19)	(17)	(15)
Capex	34	21	16	26	8
Operating Free Cash Flow (EBITDA - Capex)	(29)	(17)	(13)	(27)	(10)
Cumulative Investments	1,015	982	843	807	763

Parameters	For the Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Exchange Fluctuation Impact					
Reported revenues (US\$ Mn)	72	72	70	64	57
a. QoQ growth (%)	-0.35%	3.18%	9.69%	12.57%	6.47%
b. Impact of exchange fluctuation (%) ²²	0.26%	0.70%	0.06%	2.52%	1.40%
c. QoQ growth in constant currency (%) (a - b)	-0.61%	2.48%	9.64%	10.06%	5.07%
Revenues in constant currency (US\$ Mn) ²³	72	72	71	64	59

Note 22: Based on Q-o-Q variation and weighted on the revenues of each country for the current quarter

Note 23: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended December 31, 2013.

	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
As a % of Total Revenues					
Access charges	17.7%	17.3%	16.4%	15.7%	14.3%
Cost of goods sold	1.8%	1.8%	1.0%	0.7%	0.0%
Net revenue	80.5%	80.9%	82.6%	83.6%	85.7%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	68.7%	65.5%	68.7%	75.5%	78.1%
Licence Fee	4.8%	9.6%	9.8%	10.0%	10.4%
EBITDA	7.0%	5.8%	4.1%	-2.0%	-2.8%
EBIT	-25.3%	-23.2%	-25.8%	-32.5%	-38.3%
Profit before tax	-38.0%	-28.9%	-33.2%	-31.0%	-33.1%
Net income	-38.3%	-29.3%	-27.8%	-26.4%	-26.7%

8.2 Financial Trends of Business Operations

Mobile Services India

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total revenues	116,446	113,541	116,013	110,173	106,994
EBITDA	39,748	38,036	37,633	33,696	31,219
<i>EBITDA / Total revenues</i>	34.1%	33.5%	32.4%	30.6%	29.2%
EBIT	23,102	21,417	20,979	17,313	15,219
Capex	13,529	7,228	7,907	13,128	8,067
Operating Free Cash Flow	26,219	30,807	29,726	20,569	23,152
Cumulative Investments	809,910	796,425	788,507	730,412	716,653

Telemedia Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total revenues	9,869	9,757	9,484	9,130	8,938
EBITDA	3,574	3,617	3,764	3,783	3,735
<i>EBITDA / Total revenues</i>	36.2%	37.1%	39.7%	41.4%	41.8%
EBIT	1,278	1,404	1,439	1,866	1,767
Capex	823	810	660	558	745
Operating Free Cash Flow	2,751	2,807	3,104	3,225	2,990
Cumulative Investments	77,293	76,500	75,692	74,974	73,910

Digital TV Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total revenues	5,384	5,072	4,900	4,419	4,280
EBITDA	970	645	760	296	147
<i>EBITDA / Total revenues</i>	18.0%	12.7%	15.5%	6.7%	3.4%
EBIT	(1,081)	(1,473)	(1,156)	(1,784)	(1,828)
Capex	1,109	1,042	2,239	1,326	1,351
Operating Free Cash Flow	(139)	(397)	(1,479)	(1,030)	(1,204)
Cumulative Investments	44,712	43,613	42,596	40,366	39,245

Airtel Business*Amount in Rs mn except ratios*

Particulars	Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total revenues	16,195	16,825	14,036	13,144	14,219
EBITDA	4,139	3,243	2,765	2,800	2,154
<i>EBITDA / Total revenues</i>	25.6%	19.3%	19.7%	21.3%	15.2%
EBIT	2,676	1,844	1,422	1,282	728
Capex	242	142	281	38	139
Operating Free Cash Flow	3,897	3,101	2,484	2,762	2,015
Cumulative Investments	44,612	44,719	42,886	43,136	42,806

Tower Infrastructure Services*Amount in Rs mn except ratios*

Particulars	Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total revenues	12,592	12,602	12,832	13,160	12,745
EBITDA	5,344	5,421	5,745	6,161	5,674
<i>EBITDA / Total revenues</i>	42.4%	43.0%	44.8%	46.8%	44.5%
EBIT	2,739	2,722	1,916	2,197	1,768
Share of results of Joint Ventures / Associates	1,179	1,322	922	952	982
Capex	1,679	1,193	1,727	3,533	2,369
Operating Free Cash Flow	3,665	4,228	4,018	2,628	3,305
Cumulative Investments	171,720	171,864	170,017	181,965	177,759

Others*Amount in Rs mn*

Particulars	Quarter Ended				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Total revenues	707	767	791	761	729
EBITDA	(610)	(698)	(321)	(511)	(481)
EBIT	(609)	(697)	(331)	(514)	(483)
Capex	44	50	(0)	220	330
Operating Free Cash Flow	(654)	(748)	(321)	(731)	(811)
Cumulative Investments	7,476	7,466	7,440	10,281	10,130

8.3 Based on Statement of Financial Position

Consolidated

Amount in Rs mn

Parameters	As at				
	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Equity attributable to equity holders of parent	592,597	587,756	575,307	503,217	516,274
Net Debt	576,430	613,500	587,205	583,567	583,937
Net Debt (US\$ Mn)	9,313	9,773	9,836	10,729	10,660
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,169,027	1,201,256	1,162,513	1,086,784	1,100,211

Parameters	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
Return on Equity attributable to equity holders of parent (LTM)	4.2%	3.7%	4.3%	4.5%	5.6%
Return on Capital Employed (LTM)	6.4%	6.3%	6.0%	5.6%	5.9%
Net Debt to EBITDA (LTM) - US\$	2.06	2.20	2.22	2.51	2.44
Net Debt to EBITDA (Annualised) - US\$	2.04	2.25	2.10	2.40	2.51
Assets Turnover ratio (LTM)	68.2%	67.8%	67.9%	68.0%	68.4%
Interest Coverage ratio (times)	7.61	7.38	7.44	7.26	6.62
Net debt to Equity attributable to equity holders of parent (Times)	0.97	1.04	1.02	1.16	1.13
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	1.53	1.28	1.80	1.34	0.75
Net profit/(loss) per diluted share (in Rs)	1.53	1.28	1.80	1.34	0.75
Book Value Per Equity Share (in Rs)	148.2	147.0	143.9	132.5	135.9
Market Capitalization (Rs Bn)	1,321	1,272	1,165	1,108	1,203
Enterprise Value (Rs Bn)	1,897	1,886	1,752	1,692	1,787

8.4 Operational Performance – India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Customers Base	000's	210,675	205,367	202,690	199,604	193,094
Mobile Services						
Customer Base	000's	198,513	193,457	190,948	188,220	181,922
VLR	%	95.3%	95.1%	95.2%	95.1%	95.0%
Net Additions	000's	5,057	2,508	2,728	6,298	(4,000)
Pre-Paid (as a % of total Customer Base)	%	95.3%	95.4%	95.6%	95.8%	95.8%
Monthly Churn	%	2.7%	3.2%	3.2%	3.2%	5.9%
Average Revenue Per User (ARPU)	Rs	195	192	200	193	185
Average Revenue Per User (ARPU)	US\$	3.1	3.1	3.6	3.6	3.4
Revenue per site per month	Rs	279,871	272,979	282,406	269,531	261,900
Revenues						
Total Revenues	Rs Mn	116,446	113,541	116,013	110,173	106,994
Mobile Services	Rs Mn	114,389	110,617	113,670	107,179	103,520
Others	Rs Mn	2,057	2,924	2,343	2,994	3,474
Voice						
Minutes on the network	Mn	255,030	251,322	258,380	253,144	240,814
Voice Average Revenue Per User (ARPU)	Rs	161	160	166	159	153
Voice Usage per customer	min	434	437	455	455	435
Voice Realization per minute	paisa	37.13	36.74	36.39	35.00	35.17
Non Voice Revenue						
% of Mobile Services	%	17.2%	16.5%	17.3%	17.4%	17.3%
Of Which						
Messaging & VAS as % of Mobile Services	%	6.1%	6.7%	8.2%	9.1%	9.9%
Data as % of Mobile Services	%	10.3%	9.2%	7.4%	6.5%	5.7%
Others as % of Mobile Services	%	0.9%	0.6%	1.7%	1.8%	1.7%
Data						
Data Customer Base	000's	54,429	50,631	46,584	43,490	41,480
Of which no. of 3G data customers	000's	9,485	8,015	6,796	6,391	5,187
As % of Customer Base	%	27.4%	26.2%	24.4%	23.1%	22.8%
Total MBs on the network	Mn MBs	38,960	33,630	27,271	23,937	19,777
Data Average Revenue Per User (ARPU)	Rs	75	70	63	55	47
Data Usage per customer	MBs	249	231	203	187	161
Data Realization per MB	paisa	30.14	30.26	30.97	29.27	29.32
Telemedia Services						
Telemedia Customers	000's	3,355	3,338	3,289	3,283	3,278
Of which no. of Broadband (DSL) customers	000's	1,455	1,439	1,406	1,390	1,382
As % of Customer Base	%	43.4%	43.1%	42.7%	42.3%	42.2%
Net Additions	000's	17	49	6	5	4
Average Revenue Per User (ARPU)	Rs	954	944	924	906	909
Average Revenue Per User (ARPU)	US\$	15.4	15.1	16.5	16.7	16.7
Non Voice Revenue as % of Telemedia Revenues	%	60.4%	59.1%	57.8%	55.0%	54.6%
Digital TV						
Digital TV Customers	000's	8,807	8,572	8,452	8,100	7,894
Net additions	000's	235	120	352	207	439
Average Revenue Per User (ARPU)	Rs	207	198	197	184	186
Average Revenue Per User (ARPU)	US\$	3.3	3.2	3.5	3.4	3.4
Monthly Churn	%	0.8%	1.0%	0.6%	1.1%	1.3%

8.5 Traffic Trends – India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Mobile Services	Mn Min	255,030	251,322	258,380	253,144	240,814
Telemedia Services	Mn Min	4,075	4,209	4,137	3,988	3,958
National Long Distance Services	Mn Min	27,310	25,045	23,795	24,533	23,216
International Long Distance Services	Mn Min	3,606	3,406	2,880	3,794	4,303
Total Minutes on Network (Gross)	Mn Min	290,020	283,983	289,192	285,460	272,291
Eliminations	Mn Min	(27,516)	(24,631)	(24,129)	(24,855)	(23,491)
Total Minutes on Network (Net)	Mn Min	262,505	259,352	265,063	260,604	248,800

8.6 Network and Coverage Trends - India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Mobile Services						
Census Towns	Nos	5,121	5,121	5,121	5,121	5,121
Non-Census Towns & Villages	Nos	460,655	460,550	460,682	460,361	458,727
Population Coverage	%	86.7%	86.7%	86.7%	86.7%	86.7%
Optic Fibre Network	R Kms	178,884	175,405	173,217	171,610	166,506
Sites on Network	Nos	137,069	135,412	134,736	133,778	131,450
<i>Of which no. of 3G sites</i>	Nos	28,179	26,616	25,604	24,573	22,515
Telemedia Services						
Cities covered	Nos	87	87	87	87	87
Airtel Business						
Submarine cable systems	Nos	7	7	7	7	7
Digital TV Services						
Districts Covered	Nos	639	639	639	639	632
Coverage	%	100%	100%	100%	100%	99%

8.7 Tower Infrastructure Services

8.7.1 Bharti Infratel Standalone

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Towers	Nos	35,515	35,376	35,288	35,119	34,668
Total Co-locations	Nos	66,871	65,391	64,345	63,573	63,080
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	36,955	38,819	37,537	37,467	37,863
Average Sharing Factor	Times	1.87	1.84	1.82	1.81	1.82

Additional Information

8.7.2 Indus Towers

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Towers	Nos	112,615	112,144	111,983	111,819	111,240
Total Co-locations	Nos	229,760	225,252	223,078	221,511	222,038
Average Sharing Factor	Times	2.02	2.00	1.99	1.99	1.99

8.7.3 Bharti Infratel Consolidated

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Towers	Nos	82,813	82,476	82,321	82,083	81,389
Total Co-locations	Nos	163,370	159,997	158,038	156,608	156,336
Average Sharing Factor	Times	1.96	1.93	1.91	1.91	1.92

8.8 Human Resource Analysis - India

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Employees ¹⁴	Nos	19,014	19,502	20,031	20,039	16,966
Number of Customers per employee	Nos	11,080	10,531	10,119	9,961	11,381
Personnel Cost per employee per month	Rs	96,925	93,888	92,985	87,627	95,997
Gross Revenue per employee per month	Rs	2,531,999	2,406,470	2,350,238	2,221,941	2,573,752

Refer Note 14 on page 16.

8.9 Africa

8.9.1 Operational Performance

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Customer Base	000's	68,307	66,378	64,203	63,718	61,687
VLR	%	86.5%	86.8%	86.7%	85.9%	86.1%
Net Additions	000's	1,929	2,175	485	2,031	3,020
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%	99.3%	99.3%	99.3%
Monthly Churn	%	6.7%	6.6%	6.7%	5.5%	5.1%
Average Revenue Per User (ARPU)	US\$	5.8	5.7	5.5	5.9	6.2
Revenue per site per month	US\$	21,993	21,247	20,438	21,784	22,725
Voice						
Minutes on the network	Mn	28,270	27,848	25,971	23,360	26,174
Voice Average Revenue Per User (ARPU)	US\$	4.7	4.7	4.5	4.9	5.3
Voice Usage per customer	min	141	143	134	123	144
Voice Realization per minute	US¢	3.31	3.30	3.38	3.95	3.68
Non Voice Revenue						
% of Mobile revenues	%	19.6%	17.9%	17.4%	17.7%	15.1%
Of Which						
Messaging & VAS as % of Mobile revenues	%	9.3%	8.8%	8.7%	8.6%	7.8%
Data as % of Mobile revenues	%	7.4%	6.6%	5.4%	4.4%	3.9%
Others as % of Mobile revenues	%	3.0%	2.5%	3.3%	4.7%	3.4%
Data						
Data Customer Base	000's	19,634	17,535	15,544	14,535	14,107
As % of Customer Base	%	28.7%	26.4%	24.2%	22.8%	22.9%
Total MBs on the network	Mn MBs	5,383	4,215	3,140	3,003	2,450
Data Average Revenue Per User (ARPU)	US\$	1.6	1.5	1.3	1.1943	1.1
Data Usage per customer	MBs	98.6	84.7	70.2	73.4	58.3
Data Realization per MB	US¢	1.59	1.74	1.81	1.64	1.94

8.9.2 Operational Performance (in constant currency)

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Average Revenue Per User (ARPU)	US\$	5.8	5.7	5.5	5.9	6.2
Voice Average Revenue Per User (ARPU)	US\$	4.7	4.7	4.5	4.9	5.3
Voice Realization per minute	US¢	3.31	3.30	3.38	3.94	3.66

8.9.3 Network and Coverage Trends

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Sites on Network	Nos	17,565	17,444	17,345	16,653	16,371
Of which no. of 3G sites	Nos	6,675	6,237	6,201	5,676	5,527

8.9.4 Human Resource Analysis

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Employees	Nos	4,917	5,022	5,274	4,932	4,889
Number of Customers per employee	Nos	13,892	13,218	12,174	12,919	12,618
Personnel Cost per employee per month	US\$	6,499	6,984	5,982	6,373	6,211
Gross Revenue per employee per month	US\$	78,979	74,271	67,129	75,728	77,280

8.10 South Asia

8.10.1 Operational Performance

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Customer Base	000's	8,426	8,342	8,025	7,906	7,493
VLR	%	84.5%	82.9%	82.8%	83.9%	83.7%
Net Additions	000's	84	317	119	413	257
Pre-Paid (as % of total Customer Base)	%	97.2%	97.3%	97.5%	97.4%	97.3%
Monthly Churn	%	5.5%	6.0%	4.7%	3.8%	4.4%
Average Revenue Per User (ARPU)	US\$	2.9	3.0	2.9	2.8	2.6
Revenue per site per month	US\$	3,603	3,665	3,585	3,384	3,169
Voice						
Minutes on the network	Mn	10,518	10,673	10,472	9,860	9,230
Voice Average Revenue Per User (ARPU)	US\$	2.4	2.5	2.5	2.4	2.2
Voice Usage per customer	min	417	436	439	427	419
Voice Realization per minute	US¢	0.57	0.58	0.58	0.56	0.53
Non Voice Revenue						
% of Mobile revenues	%	16.3%	14.8%	13.4%	14.1%	13.3%
Of Which						
Messaging & VAS as % of Mobile revenues	%	7.3%	7.2%	6.5%	7.0%	6.5%
Data as % of Mobile revenues	%	6.6%	5.4%	5.1%	5.1%	5.0%
Others as % of Mobile revenues	%	2.4%	2.2%	1.8%	2.0%	1.8%
Data						
Data Customer Base	000's	2,773	2,376	2,236	2,234	2,115
As % of Customer Base	%	32.9%	28.5%	27.9%	28.3%	28.2%
Total MBs on the network	Mn MBs	1,497	1,278	1,049	1,059	958
Data Average Revenue Per User (ARPU)	US\$	0.6	0.6	0.5	0.5	0.7
Data Usage per customer	MBs	198.5	183.8	157.8	171.6	154.8
Data Realization per MB	US¢	0.32	0.31	0.34	0.30	0.43

8.10.2 Operational Performance (in constant currency)

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Average Revenue Per User (ARPU)	US\$	2.9	3.0	3.0	2.8	2.7
Voice Average Revenue Per User (ARPU)	US\$	2.4	2.5	2.6	2.4	2.3
Voice Realization per minute	US¢	0.57	0.58	0.59	0.56	0.55

8.10.3 Network and Coverage Trends

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Sites on Network	Nos	6,633	6,583	6,532	6,474	6,086
Of which no. of 3G sites	Nos	1,684	684	684	673	671

8.10.4 Human Resource Analysis

Parameters	Unit	Dec 31, 2013	Sep 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Total Employees	Nos	794	764	737	739	735
Number of Customers per employee	Nos	10,612	10,919	10,888	10,698	10,195
Personnel Cost per employee per month	US\$	2,605	2,558	2,232	2,369	2,049
Gross Revenue per employee per month	US\$	30,210	31,505	31,653	28,778	25,703

Section 9

KEY ACCOUNTING POLICIES AS PER IFRS

1. Investment in Joint Ventures and Associated

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates or joint ventures are accounted for using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter for post-acquisition changes in the Group's share of the net assets of the joint venture or associate, less any impairment in the value of the investments. Losses of a joint venture or an associate in excess of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. The financial statements of the joint venture or associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

2. Property and equipment

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

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

Assets	Years
Building	20
Network Equipment	3-20
Computer equipment	3
Office, furniture and equipment	2 – 5
Vehicles	3 – 5
Leasehold improvements	Remaining period

	of the lease or 10/20 years, as applicable, whichever is less
Assets individually costing Rs. 5 thousand or less	1
Customer premises equipment	5 – 6

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

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

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

3. Goodwill

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

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

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

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

4. Foreign currency transactions

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

The assets and liabilities of foreign operations are translated into functional currency of parent (i.e. INR) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates prevailing during the period. The exchange differences arising on the translation are recognized in 'foreign currency translation reserve (FCTR)'. Exchange differences arising on a monetary item that forms part of Group entity's net investment in a foreign operation is recognized in profit or loss in the separate financial statements of the Group entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences are recognized in other comprehensive income. On disposal of a foreign operation (reduction in percentage ownership interest), the component of FCTR relating to that particular foreign operation is recognized in the statement of comprehensive income.

5. Capital leases

Lessee accounting

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

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

Lessor accounting

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

6. Indefeasible right to use (IRU)

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

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

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

7. Impairment of long – lived assets and intangible assets

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

8. Revenue recognition

(i) Service revenues

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

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes.

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

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

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

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

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

(ii) Equipment sales

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

(iii) Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and satellite services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of the arrangement in accordance "Revenue Arrangements with Multiple Deliverables" applying the hierarchy in IAS 8.12.

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

9. License fees

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

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

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

10. Other intangible assets

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

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

11. Income-taxes

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, and is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

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

12. Borrowing costs

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

13. Derivative financial instruments

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

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

14. Asset Retirement Obligations

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

15. Allowance for uncollectible accounts receivable

The allowance for uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Group provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

16. Issuance of Stock by Subsidiaries

At the time a subsidiary sells its stock to unrelated parties at a price less than or in excess of its book value, the resultant change in the Company's interest in the net assets of that subsidiary is recognized directly in consolidated statement of changes in equity.

Section 10

GLOSSARY

Technical and Industry Terms

Company Related	
3G	Third Generation of Mobile Telephony.
3G Customers	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 3G network in the last 30 days
3G Data Customers	A customer who used at least one data session of more than zero Kbs on 3G network in the last 30 days
Average Revenue per User (ARPU)	Average revenue per customer per month is computed by: dividing the total revenues (including sale of goods) during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non-current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations for the relevant period.
Average Sharing Factor	It is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the Opening and Closing towers for the relevant period
Bn	Billion
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity holders of parent and net debt.
Cumulative Investments	Cumulative Investments comprises of gross value of property, plant & equipment (including CWIP & capital advances) and intangibles including investment in associates.
Cash Profit From Operations before Derivative & Exchange Fluctuation	It is not an IFRS measure and is defined as operating income adjusted for depreciation and amortization, pre-operating costs, interest expense and interest income before adjusting for derivative & exchange (gain)/ loss.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower, 'co-location' refers to that single operator. Co-locations as referred to are revenue generating Co-locations.

Customer Base	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G / 4G network in the last 30 days.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
Data as % of Mobile Revenue	It is computed by dividing the 'data' revenues by the total revenues of mobile services for the relevant period. Data revenue includes revenue from use of data session on GPRS / 3G including blackberry.
Data ARPU	Average revenue per data customer per month is computed by: dividing the total data revenues during the relevant period by the average data customers; and dividing the result by the number of months in the relevant period.
Data Customer Base	A customer who used at least one data session of more than 0 Kbs on GPRS / 3G network in the last 30 days.
Data Usage per Customer	It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period.
Data Realization per MB	It is computed by dividing the Data revenues by total MBs consumed on the network.
DTH / Digital TV Services	Direct to Home broadcast service
Earnings Per Basic Share.	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.
	The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.
Earnings Per Diluted Share	Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above).
EBITDA	Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization and pre-operating costs.
EBITDA Margin	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	Earnings / (Loss) before interest, taxation for the relevant period.
Enterprise Valuation (EV)	Calculated as sum of Market Capitalization plus Net Debt as at the end of the relevant period.
EV / EBITDA (times)	Computed by dividing Enterprise Valuation as at the end of the relevant period (EV) by EBITDA for the relevant period (LTM).
Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
ILD	International Long Distance Services.
Intangibles	Comprises of goodwill, software, bandwidth, one-time entry fee paid towards acquisition of licenses, distribution network and customer relationships.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.

KPI	Key Performance Indicators
LTM	Last twelve months.
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period.
Mn	Million
Messaging & VAS as % of Mobile Revenue	It is computed by dividing 'messaging and VAS' revenue by the total revenues of mobile services for the relevant period. Messaging revenue includes revenue from exchange of text or multimedia messages (MMS) as well as termination revenues from other operators. VAS revenue includes revenue from hello tunes, ring tones, music downloads etc.
MNP	Mobile Number Portability
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	Multi-Protocol Label Switching
Network Site	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not a IFRS measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, short-term investments, restricted cash and restricted cash non-current as at the end of the relevant period. Restricted cash deducted does not include cash related to mobile commerce services which is restricted in use.
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to EBITDA (Annualized)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized).
Net Debt to Funded Equity Ratio	It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period.
Net Income from operations	It is calculated by adding back the interest expense on loans taken for the Africa acquisition to the net income of Africa.
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges and cost of goods sold for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as % of total revenue	It is computed by dividing the total non-voice revenue of the Company (consolidated) by the total revenues for the relevant period. Non-voice revenues include Messaging & VAS and Data revenues for Mobile, VAS and Internet Revenues for Telemedia Services, Bandwidth and Internet Revenues for Airtel Business Services, Media & Broadcasting revenues for DTH Services, site sharing revenues, sale of goods etc.
Non Voice Revenue as % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue, which includes revenue from services other than voice i.e., Messaging & VAS (including SMS, GPRS, MMS, Ring Back Tone), Data, others etc.
Non Voice Revenue as % of Telemedia Revenue	It is computed by dividing the total non voice revenue of Telemedia services by the total revenues of Telemedia services for the relevant period. Non voice revenue for Telemedia services includes revenues from services such as DSL, Leaseline, MPLS, IPTV etc.
Others as % of Mobile Revenues	It is computed by dividing 'other' revenue by the total revenues of mobile services for the relevant period. Others include revenue from infrastructure sharing, sale of goods etc.
Operating Free Cash flow	It is computed by subtracting capex from EBITDA.

Personnel Cost per Employee per month	It is computed by dividing the Personnel Cost by the closing number of employees in a given business unit and number of months in the relevant period.
Price-Earnings Ratio – P/E Ratio	It is computed by dividing the closing market price (BSE) as at end of the relevant period by the earnings per basic share for the relevant period (LTM).
Profit / (Loss) after current tax expense	It is not an IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2011, 2012 and 2013. ROCE is computed by dividing the sum of net profit and finance cost (net) for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Return On Equity attributable to equity holders of parent	For the full year ended March 31, 2011, 2012 and 2013, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.
SA	South Asia
Sharing revenue per Sharing Operator per month	It is calculated on the basis of the total revenues less energy and other pass through accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period.
TD-LTE	Time Division – Long Term Evolution.
Total MBs on Network	Includes total MBs consumed on the network (uploaded & downloaded) on our network during the relevant period.
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating Towers.
TSP	Telecom Service Provider
Total Operating Expenses	It is defined as sum of employee costs, network operations costs and selling, general and administrative cost for the relevant period.
VAS	Value Added Service
Voice Minutes on Network	Includes usage on our network (incoming, outgoing & in-roaming minutes) during the relevant period.
Voice ARPU	Voice Average revenue per customer per month is computed by: dividing the voice revenues during the relevant period by the average voice customers; and dividing the result by the number of months in the relevant period. Voice Revenues include airtime revenue from usage, processing fees, activation, roaming and termination charges from other operators.
Voice Minutes of Usage per Customer per month	It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Voice Realization per Minute	It is computed by dividing the voice revenues by voice minutes.

Regulatory

BWA	Broadband Wireless Access
3G	Third - Generation Technology
4G	Fourth - Generation Technology
UCC	Unsolicited Commercial Calls
DoT	Department of Telecommunications
IP	Internet Protocol
ITFS	International Toll Free Service
QoS	Quality of Service
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
TRAI	Telecom Regulatory Authority of India
UAS	Unified Access Service
UASL	Unified Access Service License
USSD	Unstructured Supplementary Services Data
VSAT	Very Small Aperture Terminals
VLR	Visitor Location Register

Others

BSE	The Stock Exchange, Mumbai
CMAI	Communication Multimedia & Infrastructure
RBI	Reserve Bank of India
GSM	Global System for Mobile Communications.
CDMA	Code Division Multiple Access
DSL	Digital Subscriber Line
ICT	Information and Communication Technology
GAAP	Generally Accepted Accounting Principles
KYC	Know Your Customer
MMS	Multimedia Messaging Service
MTM	Mark to Market
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
SMS	Short Messaging Service.
BYOD	Bring Your Own Device
STB/CPE	Set Top Box/Customer Premises Equipment

DAS	Digital Addressable System
SIM	Subscriber Identity Module
VAT	Value Added Tax
IPLC	International Private Leased Circuit

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Written correspondence to be sent to:
Bharti Airtel Limited
Investor Relations
ir@bharti.in
<http://www.airtel.in>