



Bharti Airtel Limited Annual Report 2010-11

## Board of directors



Sunil Bharti Mittal



Akhil Gupta



Chua Sock Koong



N. Kumar



Ajay Lal



Craig Ehrlich



Pulak Prasad



Rakesh Bharti Mittal



Tan Yong Choo



Evan Mervyn Davies



Rajan Bharti Mittal



Hui Weng Cheong



Nikesh Arora



Salim Ahmed Salim



Tsun-yan Hsieh



Manoj Kohli

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## Corporate information

### Board of directors

Mr. Sunil Bharti Mittal  
Chairman & Managing Director

Mr. Manoj Kohli  
CEO (International) & Joint Managing Director

### Non-executive directors

Mr. Ajay Lal  
Mr. Akhil Gupta  
Ms. Chua Sock Koong  
Mr. Craig Ehrlich  
Lord Evan Mervyn Davies  
Mr. Hui Weng Cheong  
Mr. N. Kumar  
Mr. Nikesh Arora  
Mr. Pulak Prasad  
Mr. Rajan Bharti Mittal  
Mr. Rakesh Bharti Mittal  
H.E. Dr. Salim Ahmed Salim  
Ms. Tan Yong Choo  
Mr. Tsun-yan Hsieh

### CEO (India & South Asia)

Mr. Sanjay Kapoor

### Group General Counsel & Company Secretary

Ms. Vijaya Sampath

### Statutory Auditors

M/s. S. R. Batliboi & Associates,  
Chartered Accountants

### Internal Auditors

M/s. PricewaterhouseCoopers Private Limited  
M/s. ANB Consulting Private Limited

### Registered & Corporate Office

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

### Website

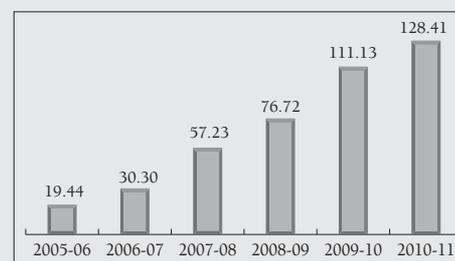
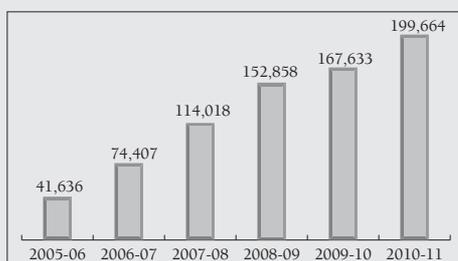
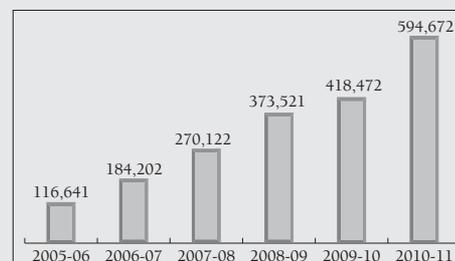
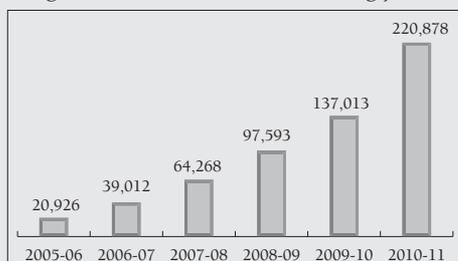
<http://www.airtel.com>

## Performance at a glance

Particulars	Units	Financial Year Ended March 31,					
		2006	2007	2008	2009	2010	2011
Total customer base	000's	20,926	39,012	64,268	97,593	137,013	220,878
Mobile services	000's	19,579	37,141	61,985	94,462	131,349	211,919
Telemedia services	000's	1,347	1,871	2,283	2,726	3,067	3,296
Digital TV services	000's	-	-	-	405	2,597	5,663
Based on statement of operations							
Revenue	₹ Mn	116,641	184,202	270,122	373,521	418,472	594,672
EBITDA	₹ Mn	41,636	74,407	114,018	152,858	167,633	199,664
Cash profit from operations	₹ Mn	40,006	73,037	111,535	135,769	167,455	177,851
Earnings before taxation	₹ Mn	23,455	46,784	73,115	85,910	105,091	76,782
Profit after tax	₹ Mn	20,279	40,621	63,954	78,590	89,768	60,467
Based on balance sheet							
Stockholders' equity	₹ Mn	73,624	114,884	217,244	291,279	421,940	487,668
Net debt	₹ Mn	41,738	42,867	40,886	84,022	23,920	599,512
Capital employed	₹ Mn	115,362	157,750	258,130	375,301	445,860	1,087,180
Key ratios							
EBITDA margin	%	35.70	40.39	42.21	40.92	40.06	33.58
Net profit margin	%	17.39	22.05	23.68	21.04	21.45	10.17
Return on stockholders' equity	%	31.98	43.10	38.51	30.91	24.50	13.30
Return on capital employed	%	21.48	31.57	33.29	30.69	24.39	10.79
Net debt to EBITDA	Times	1.00	0.58	0.36	0.55	0.14	3.00
Interest coverage ratio	Times	17.45	26.47	29.51	30.38	30.56	11.14
Book value per equity share*	₹	19.44	30.30	57.23	76.72	111.13	128.41
Net debt to stockholders' equity	Times	0.57	0.37	0.19	0.29	0.06	1.23
Earnings per share (basic)*	₹	5.39	10.72	17.12	20.70	23.67	15.93

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

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



## Chairman's message



***The bigger challenge for the Company, however, is in building a unified global character embodying the highest standards of corporate governance that Airtel is so proud of. In the last ten months, we have initiated synchronised action on multiple fronts – people leadership, brand presence and the business eco-system.***

Sunil Bharti Mittal

Dear Shareholders,

Last June, we turned a new chapter in the history of our Company, when we set foot in Africa, widely referred to as the 'last frontier of growth'. In one sweeping move, we extended our mobile network across 15 new countries in the continent. The move truly heralded the arrival of Bharti Airtel on the global telecom map. Although we already had a multi-country presence in South Asia, entry into Africa introduced a paradigm shift in how we looked at the world and how the world looked at us.

Our entry into Africa is perfectly aligned with the emerging global reality, where future growth is increasingly going to be rooted in emerging and developing economies. In fact, Africa and India are predicted to be the fastest growing regions in the global economy with average annual real GDP growth estimated at 7 percent and 8 percent, respectively, between 2010 and 2050.

Entry into Africa has changed our lives enormously. Our global expansion is anchored in our strategy of transplanting our successful business model and blending it with local needs. The challenge of operating in multiple socio-cultural, political and regulatory environments is obviously there. The bigger challenge for the Company, however, is in building a unified global character embodying the highest standards of corporate governance that Airtel is so proud of. In the last ten months, we have initiated synchronised action on multiple fronts – people leadership, brand presence and the business eco-system.

People continue to be a strategic driver of our business; more so after our extended global presence. It has always been our endeavour to promote local talent in overseas markets. We also try to complement them with selective induction of expat talent as part of our larger global talent management plan. As part of our cross-pollination strategy, a talent exchange programme is already underway between India and Africa.

In November, we launched our new brand identity the 'Wave' – across 19 markets. After one of the fastest global brand rollouts, the new youthful identity is today reaching out to a quarter of the world's population – capturing the imagination of different markets, cultures and customer preferences.

We have been fairly successful in replicating structures and processes and recreating our partner ecosystems across the 16 African markets despite the challenges of the new environment. We have entered into outsourcing deals with world-class partners, many of whom happen to be our partners in India and South Asia as well. Through our philosophy of symbiotic partnerships, we hope to bring to Africa new technology, new practices and new opportunities for growth. We truly believe that real prosperity is shared prosperity.

India will continue to be the leading market in our portfolio. Its inherent growth and our continued leadership will keep contributing substantially to our global stature in the years to come. Hyper competition in the market with 12-13 players, many of whom

happened to be new entrants, is clearly abating. Some semblance of sanity is being restored and consolidation is imminent. Tariffs have stabilised ensuring return of reasonable growth for us. Although a fair amount of regulatory uncertainty still pervades the air with regard to allocation and pricing of 2G spectrum, the principal stakeholders appear to be heading towards some sort of a consensus on key issues. It is our profound hope that the next round of policy making will ensure a sustainable growth path and a fair regulatory regime.

Introduction of 3G was a big event for Indian telecom during the year. Life for the Indian consumer is set to change substantially as the data revolution takes root. We intend to have a pan-India 3G footprint, in strategic collaboration with other operators, creating enriching customer experience.

We have also introduced some path-breaking initiatives in the area of mobile banking and commerce. Our partnership with State Bank of India has enormous potential both in terms of revenue and social inclusion.

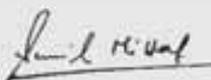
Being a responsible corporate citizen is something very dear to Airtel. Our flagship initiative, the Bharti Foundation's school education programme, grew from strength to strength during the year. The programme followed Airtel into Africa, where we adopted 19 schools in the 16 countries that we are present in. In India, the programme saw a year of consolidation. Over and above increasing the number of Satya Bharti schools to 242, reaching out to over 30,000 students, Bharti Foundation initiated upgradation of 50 primary schools to middle/elementary level during the coming years. Importantly, the Foundation's flagship programme found traction amongst benefactors, with organisations and eminent individuals coming forth to support this ambitious, yet much-needed, endeavour.

Preserving our planet for our future generation is something that Airtel is deeply committed to. This was the genesis of our pioneering and game-changing introduction of shared passive services almost a

decade ago. More recently, our group tower company, Bharti Infratel, pioneered a comprehensive energy management programme, the 'P7 Green Towers project'. In recognition of the leadership we continue to provide to our peers globally, Bharti Infratel received the 'Green Mobile Award' at the 2011 GSMA Annual Global Mobile Awards for the Best Green Product/Service or Performance category for this pioneering project.

The Board of directors is the cornerstone of Airtel. After a very successful association, Arun Bharat Ram and Lim Chuan Poh have retired from the Bharti Airtel Board. I extend my sincere thanks to both of them for their valuable counsel and guidance during their tenure. I also welcome on Board four new members – Hui Weng Cheong, Lord Evan Mervyn Davies, Dr. Salim Ahmed Salim and Tsun-yan Hsieh. Congratulations to both Manoj and Sanjay for their stellar contributions towards driving our growth agenda in Africa and South Asia, respectively. I am sure that they will continue to scale new heights in the days to come.

Overall, 2010-11 has been a year of consolidation for us in the new geographies. Back home in India, it has meant a reiteration of our market leadership. I have every reason to believe that the best is yet to come.



**Sunil Bharti Mittal**  
**Chairman & Managing Director**

## CEO (International) & JMD's message



***“Better part of the last financial year was spent preparing the continental operation for the long journey ahead. With the early teething period over, Airtel Africa is clearly poised for the Big Leap.”***

Manoj Kohli

Dear Shareholders,

Bharti Airtel made global telecom history on the 8th of June 2010 when it connected with Africa. The event did not just change the scale of our operations significantly but altered the contours of the global telecom space substantively. It transformed Bharti Airtel into a true global corporation making it the 5th largest telecom company in the world, covering over 1.8 billion people across South Asia and Africa. Subsequently, Telecom Seychelles, was also seamlessly integrated as part of the Africa operations making it our 16th Opco in the continent.

Africa presents an immense opportunity. In fact, the Economist has listed six African economies among the 10 fastest growing economies of the world during the last decade. Increasing investor confidence is also borne out by the rising trend in Foreign Direct Investment (FDI) into the continent. New FDI projects into Africa are forecast to reach \$150 Bn by 2015. GDP growth too is expected to average around 5% through 2015.

Prospects notwithstanding, Africa presents its own set of challenges as a market. The last year has given us a clear view of the challenges of doing business in Africa. Unlike India, which is one country with several states, in Africa we have 16 different countries – all with different legal, regulatory, financial, economic and social frameworks. Managing operations in such a scenario has been an

arduous task. Making it further complex are other challenges such as high operating costs, lack of infrastructure and low availability of certain resources. We are dealing with each of these challenges in a proactive manner with positive results.

We began our exciting journey in Africa in Kampala, Uganda with our first Leadership Meet, which set out the 2015 Vision for Airtel Africa – “By 2015 Airtel will be the most loved brand in the daily lives of African people”. This was followed by the 16 country trip of the leadership team across Africa, which was not only enriching but also extremely revealing. It was a fantastic opportunity to experience the socio-economic and market diversity from close quarters.

We entered Africa with a clear intent and strategy – to implant our successful Indian business model across 16 countries. Replication of business structures and processes and recreation of the partner ecosystems have so far been smooth and by and large on track despite the challenges of the new environment.

We have put in place partnership deals – first of its kind in Africa – with the world’s top global corporations including IBM, Ericsson, NSN, Huawei, Spanco, Avaya and Tech Mahindra. Consequent to the deals, our employees were presented with an opportunity to work for the top global corporations. We have successfully transitioned our IT employees to IBM across the 16 countries of operation. In addition, our employees have also transitioned to some of our other global partners in a seamless manner.

Brand Airtel made its formal entry into the African continent with its new global identity in November 2010. The new identity received a remarkably warm welcome from the African customers across different markets. Despite the challenge of multiple market environments the changeover to the new identity was remarkably swift. With this, 42 million customers in Africa started experiencing the power of the new global brand as part of the larger Airtel family.

On the marketing front, two of Africa's biggest passions – Music and Football have been a key focus area for us. We are driving and leveraging music with the one8 anthem, which brings together eight African music superstars with the American R & B superstar R Kelly. Similarly, Airtel's association with football is being driven by the theme commercial "Kabutu", its partnership with English Premier League leader Manchester United and launch of "airtel Rising Stars" programme for under 17 boys and girls in 15 countries. Both the initiatives have struck an instant chord with customers across the 16 markets.

Product innovation remains a key driver of our market penetration strategy in Africa. We have successfully launched attractive propositions such as 2Good in Nigeria, Magic number in all the OpCos, Loba Nayo in DRC, MNP in Kenya to just mention a few. Besides working as smart penetration tools, the initiatives have helped us to keep our existing consumers excited and glued to our networks.

As part of our innovative model we have also successfully set up the Tower Co, which will run as a separate business in our countries of operation and will be responsible for managing the end to end process and operations of our sites. This is another great opportunity, which will not only enable us roll out our network with great speed but also provide potential cost efficiencies arising from site sharing.

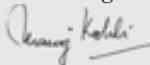
Looking forward to 2011-12, we shall of course be focusing on strengthening our business model across the 16 OpCos. We would

also be looking at leveraging the big opportunities that 3G, data, MNP and airtel money present to us. Exploited fully, they have the potential to make us truly unique to both our current and prospective customers in the market.

One year is perhaps not long enough to judge how well we have adapted to the new environs. But the recognitions that we received at the GSMA in Barcelona in February this year speak eloquently about it. Airtel Africa received two Global Mobile awards – "Best Mobile Money Product or solution" and "Best Customer Care & Customer Relationship Management (CRM)". Infact, Airtel Africa was the only mobile operator in the world to receive more than one award at this prestigious event. It's a clear testimony of the rising global stature of the group.

Any discussion about our journey in Africa would not be complete without a mention of the 'social connect' that we have managed to build during this short period. Alongside replication of the successful business model, Bharti Airtel has also managed to extend its Corporate Social Responsibility programme into the continent. Like in India, the programme is focused primarily on promotion of primary education in different countries we are present in. We have already adopted 19 primary schools in the continent. Not only building and other infrastructures of the schools been renovated and upgraded, the students too have been provided with uniforms and text books and teaching aids as recommended by the respective Ministries of Education in different countries. We intend to scale up the programme substantially over time.

Personally for me, making an instantaneous entry into 16 new markets was an experience of a lifetime – exhilarating and daunting at the same time. Better part of the last financial year was spent preparing the continental operation for the long journey ahead. With the early teething period over, Airtel Africa is clearly poised for the Big Leap.



**Manoj Kohli**

**CEO (International) & Joint Managing Director**

## CEO (India & South Asia)'s message



***Our new brand identity along with the new vision will help us to serve our customers in the best possible manner, living our brand values of being Alive, Inclusive and Respectful.***

Sanjay Kapoor

Dear Shareholders,

“Year 2010-11 was truly a historic year in the journey of your Company, as we refreshed our Brand Identity in India, Sri Lanka and launched brand ‘airtel’ in Bangladesh and Africa; ascribed an inspiring Vision 2015 enlightening all our stakeholders about the next transformation of *enriching lives of millions*. While doing so, we cherished few of our many achievements of crossing USD 10 Bn revenues from India and South Asia, 150 Mn mobile and 5 Mn digital TV happy and satisfied customers”.

Our new brand identity represents the new face of emerging airtel, which is youthful, international, yet inclusive and dynamic. This branding exercise was perhaps, one of the largest of its kind, carried out in 19 countries representing nearly one fourth of the world population. In India alone over 4 lac signages across multi-brand mobile outlets, Airtel Relationship Centres, Service Centres, DTH outlets were installed simultaneously on the day of launch, a mammoth exercise indeed! The brand change has been very well embraced by all our stakeholders across geographies with an overwhelming response from the ever growing online population to our new airtel signature jingle.

Bidding adieu to Vision 2010, Airtel launched its New Vision ‘By 2015, Airtel will be the most loved brand, enriching the lives of millions’. Our new brand identity along with the new vision will help us to serve our customers in the best possible manner, living our brand values of being *Alive, Inclusive and Respectful*.

Fiscal 2010-11 was an eventful year for the Indian Telecom Industry. The country witnessed the maiden launch of 3G services, marking

the beginning of the next phase of India's telecom growth story and Mobile Number Portability (MNP); with some semblance of rationalisation in the competitive intensity visible through the decelerated drop in tariffs. While globally MNP has not been a *game changer*, I must mention that the launch of MNP has been a big win for all the mobile customers as it allows them to choose an operator of their choice on the basis of better products and services. We are well positioned to leverage this opportunity based on our wide network presence and robust customer service delivery mechanism.

In the 3G and BWA auctions closed last year, Airtel won 13 circles in 3G and 4 circles in BWA - with a right mix of Urban and Rural markets, complementing our strategy of focusing on markets with high revenue and high growth potential. We are committed to give a pan India 3G experience to our customer base in collaboration with leading telecom operators. **We firmly believe that ‘data’ would be the growth driver for India in the next decade as ‘voice’ was in the last.** While 3G will aid in ushering in the data revolution, where the first internet experience for masses will be through the mobile devices; 4G will add another dimension to data communication by further enriching the customer experience.

With the launch of 3G services and impending launch of BWA services, Value Added Services in India has reached an inflexion point. Airtel App Central, launched in March 10 has now over 100,000 applications, making it the largest Operator - Driven App Store Globally. We are witnessing a healthy growth in non-voice revenues evident with the growing share of non-voice in the total mobile revenues to nearly 15 percent as we exited last fiscal with

an increasing contribution from mobile internet, products around entertainment and social networking domains.

With mobile penetration reaching over 2/3rd of country's population, mobile money has the potential to emerge as a new payment category which can catalyze the growth of payments and banking in India. In the m-commerce space, the Reserve Bank of India (RBI) allowed 'for profit' companies to become Business Correspondents. We entered into a Joint Venture with State Bank of India (SBI), which will become the Business Correspondent of SBI, to offer banking products and services. During the year we also launched *airtel money*, India's first 'mobile wallet' service by a telecom operator enabling our customers to use the power of the ubiquitous mobile platform to make payments – anytime, anywhere.

With Broadband penetration in India still around 1%, there is huge growth potential waiting to be absorbed. Additionally, there is a huge latent demand for high broadband speeds with the burgeoning services like Live TV, Video on Demand and Games. In the year gone by, we upgraded all our DSL customers to a minimum speed of 512 kbps. We also pioneered 50 Mbps broadband – the fastest wireline broadband for our consumer segment in the country.

Coming in as the 5th operator in the digital TV space, we have been adding one in every four customers joining the digital platform. Our rapid growth has been the result of airtel's consistent focus on the fundamental elements of superior technology, content, service, reach and availability.

India is being seen as a Global Hub for Cloud Computing. The advantage of smaller, 'pay-per-use' annuity payments for IT infrastructure, offered by this technology will drive its mass adoption in all enterprises. We made small inroads in this domain with the launch of *Net PC Plus* in partnership with *Novatium* and *Tally*, software for book keeping and stock management. In the enterprise domain, we are transforming ourselves from core carriage services to managed services model with concerted focus on new service portfolio like *Strategic Network Outsourcing*, *Network Integration* and *Hosted Services*. We have expanded our international points of

presence to 13 and network coverage to over 50 countries across the globe through our new cable systems. Our global reach and comprehensive product portfolio will facilitate us to effectively service the needs of customers.

Geographically, we expanded our footprint in Sri Lanka with the launch of our Services in the Eastern and the Northern regions, thereby extending our presence in all the 25 districts of the Country. In Bangladesh, this was the first full year of operations and we worked towards replicating our minutes' model in the country with concerted focus on enhancing customer experience, strengthening distribution and retaining & nurturing talent. We launched brand airtel in Bangladesh, representing the local values and culture while retaining the youthfulness and dynamism inherent to airtel.

We are committed to develop and foster business models which are sustainable across the three components of the *triple bottom line* – Economic, Social and Environment. Airtel aims to become a benchmark for corporate responsibility and is consciously working in areas of environment, e-waste, health and safety, ethics and compliance.

Appreciation and accolades from our customers, industry bodies and partners always add to the confidence we have in our strengths and capabilities. We were ranked amongst the top five firms in 'Corporate Reputation' in India, in a survey conducted by Nielsen and were rated in the top 5 best employers in the Aon Hewitt Best Employers in India 2011 study.

A sense of achievement and satisfaction meets us, as we put the financial year 2010-11 behind us. I would like to express my sincere gratitude to all our shareholders and our partners for their support through the thick and thin. I am sure this support will be a beacon of light as we embark on this transformation journey of *enriching lives of millions*.



Sanjay Kapoor  
CEO (India & South Asia)

## Corporate social responsibility

Bharti Airtel believes that business success is not an end in itself; rather it is a means to achieve higher socio-economic goals. The Company is committed to its stakeholders to conduct its business in a responsible manner.

To ensure inclusive growth and impact society in a positive way, the Company undertook several initiatives in 2010-11 in the social welfare space while strengthening existing projects.

Notably, in the last one year, Bharti Airtel has extended its initiative of providing quality education to underprivileged children, to the 16 African countries it operates in. The Company is adopting at least one primary school in each of these 16 countries in the first stage. It has already adopted 19 primary schools in the African continent.

In India, most of the welfare activities are routed through Bharti Foundation, the Group's philanthropic arm. Established in 2000, the Foundation aims to provide quality education free of cost to underprivileged children in rural India, with special focus on the girl child.

Bharti Foundation rolled out its flagship initiative, the Satya Bharti School Programme in 2006. The programme focuses on developing a replicable and scalable quality-education model in rural India and counts as one of the largest end-to-end education programmes undertaken by a corporate in India today. It has reached out to approximately 30,000 children through its primary schools alone.

### THE SATYA BHARTI SCHOOL PROGRAMME

The Satya Bharti School programme delivers free and quality education to underprivileged children across rural India. It has set the goal to establish 500 Primary and 50 Senior Secondary Schools reaching out to over 200,000 children.

Currently it runs 242 Satya Bharti Primary Schools reaching out to approximately 30,000 children across the states of Punjab, Rajasthan, Haryana, Uttar Pradesh, Tamil Nadu and West Bengal. Of these, 49 schools are adopted government schools in the Neemrana and Amer blocks of Rajasthan. Under the ambit of its Secondary School, 5 schools are currently operational in Punjab covering 1,184 students.

Overall aim of the rural education programme is to develop students from rural areas into well rounded personalities and responsible citizens. While the **primary school programme** works towards inculcating sound fundamentals in the child, the **senior secondary school programme** provides training for a steady vocation. Education in these schools is completely free and is supported by additional welfare schemes such as free uniforms, books, stationery, mid-day meals, etc.

### ADDRESSING CHALLENGES IN EDUCATION

The Satya Bharti School programme incorporates various teaching practices and follows a structured methodology in addressing some of the long-standing challenges of rural education.

#### A. Enhancing the Quality of Teachers

Every teacher at the Satya Bharti School gets ample opportunities to learn and grow through classroom-based trainings, on-the-job coaching, and self-learning opportunities through teacher resource material and curriculum guides. They also receive substantial exposure to best practices through peer-learning and group-discussions.

Refresher trainings were planned last year to teachers.

#### *Interactive Audio Instruction Programme*

*The introduction of the Interactive Audio Instruction programme at the Satya Bharti Schools has provided a major boost to the children's English-speaking ability.*

*It is one of the ICT-based interventions adopted by Bharti Foundation to improve the quality of English education across 224 Satya Bharti Primary Schools. Through IRI, teachers are able to implement more interactive instructional approaches and augment regular classroom lessons within short turnaround times.*

#### B. Holistic Development of Children

Satya Bharti Schools follow an institutional and holistic child development model. A detailed framework has been designed to guide teachers in focussing on critical areas in the personal, cognitive, social, emotional and physical domains of student development.

#### *Design for Change School Contest 2010*

*The Design for Change school contest was conceptualized to identify community related problems. Of the total 200 participating schools, 10 Satya Bharti Schools won from across categories. The campaign against social taboos, conducted by students of Satya Bharti School, Basai Bhopal Singh, Neemrana in Rajasthan, was presented a Special Jury Award.*

#### C. Community Engagement

Community concerns and needs are integrated into the programme at a very early stage. The school's activities and calendar include enough opportunity for the community to

understand the programme and its ramifications and engage with it. Several contact points are arranged for teachers and field staff to discuss school activities and students' performance with the community members.

#### D. Measurement Tools – School Improvement Programme

The School Improvement Programme was a special initiative launched last year to address the problem of student transition and high drop-out rates. Over time it evolved into a larger and more comprehensive initiative of identifying and addressing school-related issues through detailed ground-level strategy.

Various structured programmes like Parent Connect, Teacher Connect, Teacher Trainings and Assessment of Learning Levels etc. supported by a focused programmatic communication plan have been implemented. A mentorship programme was also launched in which 50 low performing schools were allotted mentors who also supported school staff in rolling out an improvement plan.

#### PROGRAMME EXPANSION

Last year saw the expansion of the Satya Bharti School Programme both at the primary level as well as at the senior secondary school level. 50 primary schools are currently being upgraded to middle/elementary schools as part of the programme's expansion plans in India. In Africa, lives of over 10,000 school children through the 19 schools adopted so far have been touched. The aim is to complete the first stage of the project by March 2012.

##### A. Primary School Programme

Ten Satya Bharti Primary Schools were launched in the Murshidabad district of West Bengal in February 2011 by Shri Pranab Mukherjee, the Hon'ble Union Minister for Finance, Government of India. Of these ten schools, six are under construction and currently operate from village community centres.

##### B. Middle School Programme

Bharti Foundation partnered with Google on January 31, 2011 to upgrade and support 50 of its elementary schools in Punjab, Haryana, Rajasthan and Uttar Pradesh. These schools will be called Satya Elementary Schools.

##### C. Senior Secondary Schools

Bharti Foundation partnered with the Punjab Government under the Adarsh Scheme to launch five Government Satya Bharti Adarsh Senior Secondary Schools across three districts in

Punjab. The first school under this initiative was inaugurated in April 2010 in Chogawan, in Amritsar, Punjab by Dr. Upinderjit Kaur, the Hon'ble Minister for Education, Government of Punjab.

#### D. Schools in Africa

Teams in Africa have been renovating some of the existing school buildings and their infrastructure. Countries like Chad, Burkina Faso, Ghana and Tanzania have completed the initial intensive renovation and are looking after the daily management of the schools. Bharti Airtel is providing uniforms, books, stationery and text books to these children and furnishing classrooms with desks, chairs and wall charts. Various teaching and learning aids recommended by the respective Ministries of Education are also being provided.

Providing broadband connectivity to give access to more educational material and supplement what the students receive under the normal government approved curriculum, is also planned.

#### ACT-A Caring Touch

Employees can contribute to any cause they wish to support within the seven charity options listed under the ACT Programme. **All monetary contributions are matched equally by the Company.**

This year the employee financial contribution towards this programme penetrated to over 30% of the employee base as against the employee penetration of 21% in the previous year.

As an initiative under ACT, the *Joy of Giving* week was celebrated in the Company in which employees participated in five campaigns namely Give Dignity (clothes), Give Sight (eye donation), Give Life (plantation), Give Joy (drawing books & crayons etc.) and Give Hope (donation through our ACT programme).

#### EMPLOYEE VOLUNTEERING

Employees at Bharti Airtel are also encouraged to volunteer on-site, visit the schools and interact with the children. Some of the initiatives undertaken to propel this programme forward include:

- **Mobile Mentoring Programme**

A Mobile Mentoring Programme was launched for all employees, their friends and family members. It aims to help Satya Bharti School teachers improve their English speaking skills through telephonic sessions with employees over a concerted period of

time. Detailed scripts and evaluation parameters were provided to the volunteers to assess the impact of their support.

- **Young Leaders Programme**

36 Young Leaders from Bharti Airtel volunteered for 15 days at the Satya Bharti Schools in Punjab. Volunteers shared their knowledge and experience, and actively participated in the schools' operations. They also mentored the teachers by helping them teach English and Mathematics, focussing on academically weaker children, understanding and enhancing existing processes and also creating a deeper local connect with the students' parents and the community at large.

#### COMMUNITY SERVICE AND SUPPORT

Several initiatives in the areas of health, environment and disaster management support are also adopted by our local offices in India to improve the living standards of their respective communities.

Last year, Villupuram and Cudaloor districts in the central zone of Tamil Nadu were badly affected, having received rainfall 70% above the average level. Bharti Airtel employees together with the support of local village heads collected old and new blankets, made arrangements for food packets, torches and other basic essentials and got them distributed to 300 affected families. Helpline centres were installed with PCOs for connectivity.

Similar to previous years, our circle offices organized child safety awareness campaigns, traffic awareness campaigns, eye donation and blood donation camps regularly for the employees and general public.

We harnessed our products and services for various community based activities. Some of these include a virtual blood bank; blood donation alerts through SMS; PCOs for the visually impaired and differently-abled; bus route information availability on mobile phones; the launch of a Cancer Helpline with some NGOs and the launch of an eye donation helpline in collaboration with the Ophthalmology Department of a Medical College.

#### FARMER WELFARE

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

#### HEALTH, SAFETY AND ENVIRONMENT

Bharti Airtel follows a comprehensive Health, Safety and Environment Management policy to maintain safe and incidence-free work places. Periodic trainings in first aid, heart care (CPR), fire-fighting and emergency management are provided to employees.

All our facilities install fire prevention and fighting equipment as per best practices and standards. Additionally all our facilities are provided with comfort cooling and ergonomically designed furniture; work stations and meeting rooms which match international standards. The offices also include waste-water treatment and rain water harvesting.

#### GREEN INITIATIVES

We constantly explore ways and means to reduce our carbon footprint. We have been running power saving programmes in our offices and network operations for over six years now. These programmes have helped conserve energy, reduce green house gas emission, and reduce costs.

##### A. Green Shelter for BTSs

We have pioneered the Green Shelter concept for BTS. This unique shelter comes with optimal cooling, power and thermal management systems, thereby minimizing the running of backup systems like diesel generator sets. The solution reduces the operational cost by as much as 40% as compared to conventional shelters and avoids contributing to global warming by minimizing greenhouse gas emissions.

##### B. Programme GOOD (Get out of Diesel)

To reduce diesel consumption at our sites we pursued programme 'GOOD' during the year. Under this programme, **500 sites in Bihar have been taken up for Solar PV technology implementation despite a Non-Favourable Financial Model.** Similarly, other technological interventions like DG Optimisation, IPMS (Integrated Power Management Solution), and DCDG were implemented to reduce the diesel footprint at our network sites. IPMS and variable speed DC Generators (DCDG) has led to an **annual reduction of 1.2 Mn litres in Diesel Consumption across 900 sites.** Apart from this, we pursued a number of other opportunities such as using bio-diesel in

Andhra Pradesh, fuel cells in Haryana and UP, and Biomass-based electricity generation in Bihar, to reduce diesel dependency on a long-term basis.

#### C. Green Tower P7 Programme

This programme is scoped for 22,000 tower sites, primarily rural areas having low or no Grid power availability. Of this nearly 5,500 sites have already been implemented in the first year as a part of this 3-year programme. Once completed, this initiative will reduce diesel consumption by **58 Mn litres per year**, with a significant carbon dioxide reduction of around 1.5 Lakh metric tonnes per year.

#### D. Managed Energy Services

We commenced 'Managed Energy Services' with Wipro Eco Energy covering all our facilities in Karnataka, Kerala, Tamil Nadu and Andhra Pradesh. Under this initiative, Wipro will monitor the energy consumption pattern at the facilities, identify and implement energy-saving measures for targeted consumption reduction.

#### E. E-Waste Management

We have expanded the scope of e-waste management by including network/field e-waste. **During the year we disposed 407K tons of network e-waste through authorised re-cyclers.**

We comply with the disposal of e-waste as per applicable WEEE norms.

#### F. Other Energy Reducing Initiatives

A number of initiatives were launched in our offices and in other technical facilities last year to reduce energy consumption in lighting and air conditioning. A Solar Hot Water Generator was installed at the Airtel Campus to fulfil hot water requirement in the cafeteria. Lighting Energy Savers (LES) have also been installed across our facilities in the National Capital Region. **This has reduced our energy consumption by around 10-25%.** Variable Frequency Drives were installed in the Air Handling Unit (AHU) at Airtel Centre Campus to improve the efficiency

of the cooling system by 10%. These measures have resulted in savings of **8.5 Lakh units of electricity per year**, for the Company.

We have started the virtualisation of servers. This has helped us release over 500 CPUs. Additionally we are moving towards Cloud-based services. Technologies like Virtual Tape Library, and the replacement of teradata with DB2 have added to multiple hardware releases.

#### G. E-Bills

Sending e-bills to our post-paid customers has been a huge success. **Today over 2 Million e-bills are being sent per month. This has significantly contributed towards our "go-green" drive and saved 24,000 trees annually.** We have also implemented a 'Secure Print' solution - an automated queue-management based secure printing solution which has led to an annualised saving of ~ 8 tonnes of paper.

### THE CHANGING NORMS OF CORPORATE SOCIAL RESPONSIBILITY

#### Cyber Security

During the Commonwealth Games of October 2010, in line with the Government's directives, we ensured that the communication infrastructure performed flawlessly resisting attempts of anti-national cyber activists. In the Lawful Interception domain, we received 422 appreciation letters from various Law Enforcement agencies in the last one year alone.

#### Certifications

**ISO 27001:** We have one of the largest ISO 27001 certification scopes in the world. We underwent 142 man-days of surveillance audit, covering all 13 mobile services circles, 3 Telemedia hubs, 3 ES hubs, 4 NSG zones, all data centres and the Airtel Centre. All 25 certificates were successfully retained without a single instance of non-conformance. The ISO 27001 certification has contributed hugely towards improving our security stance, while enhancing customer trust, brand image and competitive advantage. Airtel Sri Lanka also achieved ISO 27001 and BS 25999 certifications last year.

## Directors' report

Dear Shareholders,

Your Directors have pleasure in presenting the sixteenth annual report on the business and operations of the Company together with audited financial statements and accounts for the year ended March 31, 2011.

### OVERVIEW

Bharti Airtel is one of the world's leading providers of telecommunication services with presence in 19 countries including India & South Asia and Africa. The Company served an aggregate of 220.9 Mn customers as on March 31, 2011. The Company is the largest wireless service provider in India, based on the number of customers as of March 31, 2011. The Company offers an integrated suite of telecom solutions to its enterprise customers, in addition to providing long distance connectivity both nationally and internationally. The Company also offers Digital TV and IPTV Services. All these services are rendered under a unified brand "airtel" either directly or through subsidiary companies. The Company also deploys, owns and manages passive infrastructure pertaining to telecom operations under its subsidiary Bharti Infratel Limited. Bharti Infratel owns 42% of Indus Towers Limited. Bharti Infratel and Indus Towers are the largest passive infrastructure service providers for telecom services in India.

### FINANCIAL RESULTS AND RESULTS OF OPERATIONS

**Financial Highlights of Consolidated Statement of Operations of the Company as per International Financial Reporting Standards.**

Amount in ₹ Mn

Particulars	Financial Year		Y-o-Y
	2010-11	2009-10	Growth
Gross revenue	594,672	418,472	42%
EBITDA	199,664	167,633	19%
Cash profit from operations	177,851	167,455	6%
Earnings before taxation	76,782	105,091	-27%
Net profit/(loss)	60,467	89,768	-33%

**Financial Highlights of Standalone Statement of Operations of the Company as per Indian Generally Accepted Accounting Principles**

Amount in ₹ Mn

Particulars	Financial Year		Y-o-Y
	2010-11	2009-10	Growth
Gross revenue	380,158	356,095	7%
EBITDA	133,843	137,764	-3%
Cash profit from operations	133,664	147,217	-9%
Earnings before taxation	87,258	106,993	-18%
Net profit/(loss)	77,169	94,262	-18%

### LIQUIDITY

The Company has suitable commercial arrangements with its creditors, healthy cash flows and sufficient standby credit lines with banks and financial institutions to meet its working capital cycles. It deploys a robust cash management system to ensure timely servicing of its liquidity obligations. The Company has also been

able to arrange for adequate liquidity at an optimised cost to meet its business requirements and has minimised the amount of funds tied-up in the current assets

As of March 31, 2011, the Company had cash and cash equivalents of ₹ 9,575 Mn and short term investments of ₹ 6,224 Mn.

The Company actively manages the short-term liquidity to generate optimum returns by investments made only in debt and money market instruments including liquid and income debt fund schemes, fixed maturity plans and other similar instruments.

The Company is comfortable with its present liquidity position and foreseeable liquidity needs. It has adequate facilities in place and robust cash flows to meet its liquidity requirements for executing its business plans and meeting with any evolving requirements.

### GENERAL RESERVE

Out of the total profit of ₹ 77,169 Mn on a standalone basis for the financial year ended March 31, 2011, an amount of ₹ 5,800 Mn has been transferred to the General Reserve.

### DIVIDEND

The Board recommends a final dividend of ₹ 1 per equity share of ₹ 5 each (20% of face value) for the financial year 2010-11. The total dividend payout inclusive of ₹ 616 Mn tax on dividend, will amount to ₹ 4,414 Mn. The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

### SUBSIDIARY COMPANIES

As on March 31, 2011, your Company has 113 subsidiary companies as set out in Page no. 150 of the annual report (for abridged annual report please refer Page no. 49).

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

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

The statement pursuant to the above referred circular is annexed as part of the Notes to Consolidated Accounts of the Company on Page no. 53 of the abridged annual report and Page no. 159 of the full version of the annual report.

### ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Board of directors have decided to circulate the abridged annual report containing salient features of the balance sheet and profit and loss account to the shareholders for the financial year 2010-11. Full version of the annual report will be available on Company's website [www.airtel.com](http://www.airtel.com) and will also be made available to investors upon request.

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

## QUALITY

Deeply embedded in Bharti Airtel's DNA, operational excellence has been the driving force towards mobilising the entire organisation to eliminate non-conformances and minimize waste in its processes. This has led to a remarkable process improvement and cost reduction. The Company has developed its unique model of excellence in line with Malcolm Balridge award known as CEO's Operational Excellence award. The award criteria includes improvement, process compliance, leadership engagement in excellence, best practice replication, customer and employee satisfaction and financial performance. For the up-keep of standards, all processes are continually assessed by external consultants leading to certifications like TL9000, BCP DR, ISO 27001, OHSAS, beside continual improvement.

## BRANDING

The year was a landmark in the history of the brand airtel, marked by important changes and advancements, as the Company continued to build on its leadership position across markets. A number of significant strides were taken to live up to the Company's refreshed vision – *By 2015 airtel will be the most loved brand, enriching the lives of millions.*

Bharti Airtel introduced a completely new, fresh and vibrant brand logo and identity. Designed to appeal to a more demanding consumer, the dynamic new identity met with high appreciation as it was introduced in existing and new markets. Backed by a high decibel communication campaign, the roll out of the new identity was completed across all its markets.

Apart from India and Sri Lanka, the brand also started to offer its services to consumers in Bangladesh making the Company a powerhouse across South Asia. Across the seas, the Company established a strong presence in the 16 countries across the African continent.

During the year, Airtel won the *'Most Preferred Cellular Service Provider Brand'* award in the CNBC Awaaz Consumer Awards 2010 for the 6th year in a row. The CNBC Awaaz Consumer Awards were based on an extensive consumer survey done by Nielsen, wherein the customers rated brands across different categories which delivered true value for money.

## MAJOR AGREEMENTS AND ALLIANCES

During the year, the Company signed the following major agreements relating to operations, customer service, innovation and technology:

- With **Ericsson, Nokia Siemens Networks and Huawei** for the launch of 3G services in India. These partners will plan, design, deploy and maintain a state of the art 3G HSPA Network in the Company's 3G license circles. This deployment would enable the Company to extend its leadership position in the Indian market and meet the growing demand for high speed surfing and wireless entertainment in the country.

- With **Ericsson and Huawei** to deploy state-of-the-art network infrastructure in Bangladesh. Ericsson to deliver and manage majority of the Company's network capacity in Bangladesh, while Huawei to swap the existing radio network in the eastern areas of Bangladesh.
- With **State Bank of India (SBI)**, a Joint Venture (JV) agreement to usher in the new era of financial inclusion for the unbanked in India. The JV will become the Business Correspondent of SBI and offer banking products and services at affordable cost to the citizens in unbanked and other areas.
- With **Nokia** to launch *'Ovi Life Tools'* service targeted at providing Airtel's mobile customers with access to relevant content on agriculture, education and entertainment.
- With **Radio Mirchi**, to launch *'Mirchi Mobile'* on airtel, enabling its customers to choose and follow their favourite local Mirchi radio station from anywhere in India from the 12 Radio Mirchi stations.
- With **Encyclopedia Britannica** to offer airtel broadband customers two year free access to *'Britannica online'*, the world's most trusted information source.
- With **Novatium** to help expand the broadband market by launching *'Net PC Plus'* on airtel broadband for customers in Chennai.
- With **Savvis** to offer managed IT and cloud services in the high growth Indian IT market. The collaboration aims to launch innovative managed services to enterprises operating in or expanding into India.
- With **China Telecom** to launch direct underground terrestrial link between India and China. With this network, the Company has established the third international gateway for its customers in India offering an alternate and shortest route between India and China alongside existing Subsea routes.
- With **VMware**, to launch virtualisation services based on VMware vSphere™ platform, extending the Managed Service portfolio.
- With **Servion and Cisco** for launch of Hosted Contact Center services for large, medium and small enterprises offering freedom from technology obsolescence, capital investments and continuity challenges while leveraging the capability to customise the solution, based on business requirements.
- With consortium of telecom operators for launch of **IMEWE submarine cable system** stretching from India to Western Europe via Middle East; **EASSy Cable system**, the largest submarine cable system serving the African continent and **EIG** offering connectivity to the Middle East, Africa and Europe with enhanced capacity, redundancy and network resilience.
- With **IBM** for transformation and management of the comprehensive IT infrastructure and applications in all the 16 countries of operations in Africa.
- With **Ericsson, NSN Siemens and Huawei** for network management of 2G and 3G network in all the 16 countries of operations in Africa.
- With **IBM, Tech Mahindra and Spanco** for world-class customer service across all 16 countries in Africa.

## NEW PRODUCTS/ INITIATIVES

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

- **3G Services** in 9 of 13 circles with 3G spectrum, empowering all 3G customers to manage their data usage and avoid 'bill shock' with proactive, personalised and timely data usage alerts coupled with introduction of easy-to-understand intuitive tariffs with personalised data usage limits.
- **airtel money** - India's first mobile wallet service by a telecom operator. It offers customers an efficient alternative to cash transactions, providing Airtel customers across the country with a convenient and secure way of making payments through the ubiquitous mobile platform anytime, anywhere!
- **airtel call manager**, a service that enables a customer to keep his/her callers informed (when he is in a meeting or driving and is not able to take calls) by choosing the meeting or the driving profiles.
- **airtel voice blog**, world's first voice blogging service, enabling customers to share recorded voice updates with their followers – fans, friends or family.
- **airtel world SIM** for international travellers enabling outbound travellers to retain their local number while roaming internationally at a fraction of the cost, allowing customers to save upto 85 percent on international calls.
- **Live Aarti** on mobile, India's first service on mobile offering daily live Pujas and Aartis directly from the shrines including Tirupati Balaji, Siddhivinayak, Shri Sai Baba from Shirdi and Bangla Sahib.
- c **LearnNext** an e-Learning website for the Company's broadband users. It is a complete computer based interactive CBSE study module, for students studying in Class VI to X.
- **IPTV services** in Bangalore, the 2nd city after Delhi – NCR to get airtel IPTV services.
- **airtel broadband TV**, allows the broadband customers to watch live TV on their computers or laptops without having to buy an extra TV set or cable connection/set top box or an air antenna by simply subscribing to airtel broadband TV.
- **Unified Service Management Centre (uSMC)**, to enhance the quality of customer experience and provide best in class services to the customers.
- **Global Data Services** in Thailand and Malaysia in association with TRUE International Gateway Co. and Telecom Malaysia respectively to serve the growing bandwidth demands of customers in the region.
- **airtel digital TV recorder**, an enhanced Set Top Box (STB) with capability to record live television, anytime, anywhere using mobile phone. After pioneering the initiative of recording television programmes through mobile, the **recording facility was extended through internet** for airtel digital TV recorder customers.
- India's first **High Definition (HD) box** with Dolby digital plus offering 7.1 channels of surround sound for airtel digital TV customers.
- **MAMO (My Airtel My Offer)** is Africa's first marketing tool offering segmented and personalised offers to both active and inactive customers. A single number, '141' is being advertised inviting customers to listen to their customised offers with the option of fulfillment. The offers range from voice (local and international), SMS, VAS and data depending on customers' usage and activity.
- **i-Care** was deployed across all countries of operation – the objective of the programme is to bring about a cultural transformation across the Company by putting the customer as the first priority and taking personal ownership to resume customer issues.

## OTHER COMPANY DEVELOPMENTS

- The Company became a global telecom operator by completing acquisition of **Zain Group's ("Zain") mobile operations in 15 countries across Africa** in June 2010 and **Telecom Seychelles Limited**, a leading telecom operator in Seychelles in August 2010. With these acquisitions, the Company expanded its African footprint to 16 countries and its overall presence to 19 countries, thus becoming the first Indian brand to go truly global with a footprint covering over 1.8 Bn people.
- The Company launched its New Vision for India and South Asia **'By 2015, airtel will be the most loved brand, enriching the lives of millions'** inspiring and directing all stakeholders for the next stage of growth.
- The Company also launched its vision for Africa **"By 2015 airtel will be the most loved brand in the daily lives of African people"**.

## AWARDS AND RECOGNITIONS

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

- At the GSMA in Barcelona in February this year, Airtel Africa was awarded two Global Mobile awards – **'Best Mobile Money Product or Solution'** and **'Best Customer Care and Customer Relationship Management (CRM)'**.
- Five awards at the Telecom Operator Awards 2011 constituted by tele.net, including **'Most Admired Telecom Operator'**, **'Best National Mobile Operator'**, **'Best VAS Provider'**, **'Best Enterprise Services Provider'** and **'Operator with Best Rural Performance'**.
- ET Telecom Awards 2011 in categories of **'Customer experience Enhancement'** and **'Innovative VAS Product'**.
- **'Most Preferred Cellular Service Provider Brand'** award in the CNBC Awaaz Consumer Awards 2010 for the 6th year in a row.
- **'Top Telecom Company'** 4th year in a row by NDTV Profit Business Leadership Awards 2010.
- **'CIO 100 Award'** instituted by CIO magazine for innovative practices at the Annual CIO 100 Awards.
- Four awards at the Annual Voice & Data Telecom Awards 2010 - **'Top Cellular Service Provider'**, **'Top Telecom Service Provider'** and **'Top NLD & VSAT Service Provider'**.

- 'India's Best Enterprise Connectivity Provider' at the Users' Choice Awards instituted by PC Quest.
- Ranked amongst the top five firms in Corporate Reputation in India, by the Nielsen.
- Rated as one of the top 5 best employers in the Aon Hewitt Best Employers in India 2011 study.
- Ranked amongst the top 10 companies in 'the Best Companies to Work For' survey by Business Today in 2011.
- 'Small Business Technology Partner of the Year award' at the Franchise India's Small Business Congress 2010.
- airtel digital TV was voted the favorite DTH service by customers in key metros in a nationwide customer satisfaction survey by MaRS on India's Favourite DTH Operator.

#### CAPITAL MARKET RATINGS

As at March 31, 2011, Bharti Airtel has outstanding ratings with four institutions, two domestic rating agencies, viz. CRISIL and ICRA, and two international rating agencies, viz. Fitch Ratings and S&P.

- CRISIL and ICRA have rated the Company at the top end of their rating scales, both for short term (P1+/A1+) as well as long term (AAA/LAAA).
- Fitch Ratings has rated the Company (and reaffirmed at the time of Zain Acquisition) at level of sovereign of India (BBB-). S&P who had rated us at level of sovereign of India (BBB-) downgraded the Company by a sub-notch to BB+ at the time of Zain acquisition.

#### SHARE CAPITAL

During the year, there was no change in the authorised, issued, subscribed and paid-up equity share capital of the Company which stood at ₹ 18,987,650,480 divided into 3,797,530,096 equity shares of ₹ 5 each as at March 31, 2011.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### CORPORATE GOVERNANCE

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

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

#### SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with the provisions of various corporate laws, the regulations and guidelines issued by the Securities and Exchange Board of India and other

statutory authorities, the Company has voluntarily started a practice of secretarial audit from a practicing company secretary.

The Company has appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct secretarial audit of the Company for the financial year ended March 31, 2011, who has submitted their report confirming the compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is provided separately in the annual report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Act, the abridged annual report has been sent to the members of the Company excluding this report.

#### CORPORATE SOCIAL RESPONSIBILITY

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

#### DIRECTORS

Since the last Directors' Report, Mr. Arun Bharat Ram has retired from the Board in terms of the policy on independent directors adopted by the Company and Mr. Lim Chuan Poh, a nominee of Pastel has resigned. During the year, Lord Evan Mervyn Davies, Mr. Hui Weng Cheong, H.E. Dr. Salim Ahmed Salim and Mr. Tsun-yan Hsieh were appointed as directors. The Board places on record its sincere appreciation for the services rendered by Mr. Lim Chuan Poh and Mr. Arun Bharat Ram during their tenure on the Board.

Ms. Tan Yong Choo was appointed as a director to fill casual vacancy caused due to resignation of Mr. Quah Kung Yang w.e.f. January 21, 2010 and holds office upto the date of the ensuing annual general meeting.

Mr. Ajay Lal, Mr. Akhil Gupta and Mr. N. Kumar retires by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment.

The Company has received notices from members under Section 257 of the Companies Act, 1956, proposing the appointment of Lord Evan Mervyn Davies, Mr. Hui Weng Cheong, H.E. Dr. Salim Ahmed Salim, Ms. Tan Yong Choo and Mr. Tsun-yan Hsieh as non-executive directors of the Company.

Mr. Sunil Bharti Mittal completes his current term as Managing Director of the Company on September 30, 2011. On the advice of the HR Committee, the Board recommends to the shareholders, the re-appointment of Mr. Sunil Bharti Mittal as a Managing Director for a further term of five years effective October 1, 2011.

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

#### FIXED DEPOSITS

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

#### AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, retires at the conclusion

of the ensuing annual general meeting of the Company and have confirmed their willingness and eligibility for re-appointment and have also confirmed that their re-appointment, if made, will be within the limits stipulated under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment for the next term.

#### AUDITORS' REPORT

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

As regards the comment under para i (a) of the annexure A to the Auditors' Report regarding the updation of quantitative and situation details relating to certain fixed assets in the Fixed Assets Register, the Company is further strengthening its process for updation of requisite details at frequent intervals.

As regards the comment under para xxi of the annexure to the Auditors' Report, to address the issues of fraud by employees and external parties, the Company has taken appropriate steps including issuance of warning letters, termination of service of the errant employees, termination of the contract/agreements with the external parties, legal action against the external parties involved, blacklisting the contractors, etc. The Company is further strengthening its internal control systems to reduce the probability of occurrence of such events in future.

#### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

#### EMPLOYEES STOCK OPTION PLAN

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

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

Till March 2010, under ESOP Scheme 2005, the employees were allotted new equity shares upon exercise of stock options. In the board meeting held in April 2010, the Board approved purchase of the Company's equity shares up to the limit approved by the shareholders in the existing Trust and appropriate the same towards the Scheme. Accordingly, under the ESOP Scheme 2005, the Company now acquire shares from the secondary market through the Trust and transfers the same to the respective employees in place of allotment of fresh equity shares.

Disclosure in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and

Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are provided in annexure C to this report.

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

#### PARTICULARS OF EMPLOYEES

The information as required to be provided in terms of Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 have been set out in the annexure D to this report. In terms of the provisions of Section 219(1)(b)(iv) of the Act, the abridged annual report has been sent to the members excluding this annexure. Members who desire to obtain this information may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. The applicable accounting standards have been followed along with proper explanation relating to material departures, in the preparation of the annual accounts for the year ended March 31, 2011;
- II. They have selected and applied consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- III. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. They have prepared the annual accounts on a going concern basis.

#### ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation to the Department of Telecommunications (DOT), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 16 countries in Africa, Company's bankers and business associates; for the assistance, co-operation and encouragement they have extended to the Company and also to the employees for their continuing support and unstinting efforts in ensuring an excellent all round operational performance. The directors would like to thank various partners viz. Bharti Telecom, Singapore Telecommunications Limited and other shareholders for their support and contribution. We look forward to their continued support in the future.

For and on behalf of the Board

Place : New Delhi  
Date : May 5, 2011

**Sunil Bharti Mittal**  
Chairman & Managing Director

## Annexure A

### Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Bharti Airtel Limited

We have examined the compliance of conditions of corporate governance by Bharti Airtel Limited ("the Company"), for the year ended March 31, 2011, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges in India.

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

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

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

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

Place: New Delhi  
Date: May 5, 2011

per Prashant Singhal  
Partner  
Membership No.: 93283

## Annexure B

Information relating to conservation of energy, technology absorption, research and development and foreign exchange earnings and outgo forming part of the Directors' Report in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

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

### FOREIGN EXCHANGE EARNING AND OUTGO

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

#### International Long Distance Business

With a focus on increasing the global foot print to emerging markets, the Company launched 9 new point of presence (PoPs) during the year gone by, taking the total count of PoPs to 13; expanding its services to 26 countries. This infrastructure will establish a seamless connectivity to Africa, Europe and USA by offering at least three cables on every route, thereby providing unparalleled diversity and resilience. The Company has seen growth in its long distance voice business and believes that its presence and operations in developing markets especially Asia and Africa will further strengthen its position by increasing share of global traffic.

#### International Calling Card Services

airtel callhome, the Company's international calling services through its wholly owned subsidiary companies, connects the widespread NRI population in USA, UK, Canada and Singapore to their families in India in a cost effective and reliable manner. This service was launched in the US in December 2006 and in the remaining countries in 2008-09. It helps customers to avail cheaper rates to India and 200 other countries.

### Telecom Services in other countries

The Company continuously explores and evaluates various opportunities for growth and expansion inside and outside the country organically and through alliances, mergers/acquisitions in identified markets, subject to availability of licenses, growth potential and costs as well as other relevant factors.

Bharti Airtel Lanka (Pvt.) Limited is Sri Lanka's fastest growing wireless service provider. It expanded its footprint by starting commercial operations in the Eastern and Northern areas of the Country. The Company thus provides Island wide state of the art voice coverage with 1,275 network sites. The Company continues to gain leadership in both incremental customer market share and revenue market share through aggressive marketing and distribution.

Bharti Airtel's Bangladesh operations, 'airtel Bangladesh' successfully completed its first full business year in 2010-11. As part of the global expansion plan, in January 2010, Bharti Airtel acquired 70% of Warid Telecom Bangladesh Ltd. from the Abu Dhabi group of UAE. During the year, the Company was awarded five MHz spectrum in EGSM band and also retained 10 MHz spectrum from 1800 frequency band. By the end of the year, the Company reached population coverage of around 40% with over 1,850 sites on air. In December 2010, the Company rebranded as airtel from Warid with a unique promise and hope in the country. Airtel Bangladesh had 3.7 Mn customers with 6.3% customer market share as at end of March 31, 2011. The Company also has 124 distributors and over 64,000 retailers across the country. In the six operator competitive market, the Company's immediate focus is to ensure faster quality network rollout across the country and build a strong dynamic brand with concerted focus on market led VAS portfolio.

The Company completed the acquisition of Zain Group's ("Zain") mobile operations in 15 countries across Africa in June 2010 and later acquired 100 percent of Telecom Seychelles Limited. With this acquisition, the Company has expanded its African footprint to 16 countries. During the year the Company has also obtained 3G licenses in 10 countries.

### Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earning ₹ 18,156 Mn
- (b) Total Foreign Exchange Outgo ₹ 37,870 Mn

## Annexure C

### Information regarding the Employees Stock Option Schemes as on March 31, 2011

Sl. No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	24,919,874*	40,228,579**
2)	Pricing formula	Exercise Price not less than the par value of equity share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 on Grant Date	29,015,686 @ 11.25 1,760,000 @ 0.45 4,380,000 @ 35.00 142,530 @ 0.00 4,865,363 @ 5.00 40,000 @ 60.00 25,000 @ 110.50
3)	Option vested	14,611,366	38,424,965
4)	Number of options exercised	2,805,094	29,293,676
5)	Number of shares arising as a result of exercise of option	Nil	Nil
6)	Number of options lapsed	8,295,914	8,877,152
7)	Money realized upon exercise of options	₹ 371,865,294	₹ 384,947,960
8)	Total number of options in force	13,818,866	2,057,751
9)	Options granted to Senior managerial personnel:		
	• Ms. Abhilasha Hans	32,800	Nil
	• Mr. Ajai Puri	44,300	Nil
	• Mr. Alexander Andrew Kelton	Nil	115,000
	• Ms. Amrita Gangotra	39,800	Nil
	• Mr. Ananda Mukerji	Nil	50,000
	• Mr. Atul Bindal	108,600	Nil
	• Mr. Deven Khanna	45,900	Nil
	• Mr. Inder Walia	123,000	Nil
	• Ms. Jyoti Pawar	45,100	Nil
	• Mr. K. Shankar	71,700	Nil
	• Mr. K. Srinivas	71,700	Nil
	• Mr. Manoj Kohli	100,000	300,000
	• Mr. Narendra Gupta	42,600	Nil
	• Mr. Nilanjan Roy	49,200	Nil
	• Mr. S. Asokan	57,400	Nil
	• Mr. Sanjay Kapoor	100,000	300,000
	• Mr. Saurabh Goel	24,200	Nil
	• Ms. Shamini Ramalingam	61,500	Nil
	• Mr. Srikanth Balachandran	75,800	Nil
	• Ms. Vijaya Sampath	17,000	Nil
10)	Diluted earning per share (EPS) as per AS 20	N.A.	N.A.
11)	Difference between the employees compensation cost based on intrinsic value of the Stock and the fair value for the year and its impact on profits and on EPS of the Company.	N.A.	1,584,094 (0.0004)
12)	a) Weighted average exercise price	₹ 232.01	a) ₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5
	b) Weighted average fair price	₹ 173.11	b) NA; NA; NA; ₹ 69.70; ₹ 257.86; ₹ 84.43; ₹ 357.63
13)	Method and significant assumptions used to estimate the fair values of options	Black Scholes / Lattice Valuation Model / Monte Carlo Simulation	
	(i) risk free interest rate	i) 7.14% p.a. to 8.84% p.a. (The Government Securities curve yields are considered as on valuation date)	
	(ii) expected life	ii) 48 to 72 months	
	(iii) expected volatility	iii) 37.26% to 46.00% (assuming 250 trading days to annualise)	
	(iv) expected dividends	iv) 20% (Dividend yield of 0.39%)	
	(v) market price of the underlying share on grant date	v) ₹ 256.95 to ₹ 368.00 per equity share	

#### Notes:

\* Granted 6,185,322 options out of the options lapsed over a period of time

\*\* Granted 8,548,578 options out of the options lapsed over a period of time

- The options granted to the senior managerial personnel under both the schemes are subject to the adjustments as per the terms of respective performance share plan
- There is no variation in the terms of options during the year
- Other than Mr. Manoj Kohli and Mr. Sanjay Kapoor, no other employee was granted stock options exceeding 5% of the total grants or exceeding 1% of the issued capital during the year

## Management discussion & analysis

### ECONOMIC OVERVIEW

The global economy is on a clear track of revival with a continued dual speed recovery. As per the International Monetary Fund (IMF), the world economy grew by 5% in 2010, led by 7.1% growth of emerging economies and a 3% growth of advanced economies. After a year of debt crises in Europe and mixed news about the quality of the US recovery, there is a growing consensus that *the worst is over*.

With the maturing of emerging nations, financial power and consumption is increasingly shifting from West to East – *from aging industrial nations to emerging industrial powers in Asia, South America and Africa*. These economies are morphing from being the world's back office to nerve centre of activity. In China and India alone, about two billion new middle income consumers are expected to join the consumer base in the next 20 years. Both Africa and Asia are expected to be the fastest growing regions with a 7% and 5.4% per annum growth respectively in real GDP between 2010 and 2050. The economic growth prospects in these geographies clearly complement the Company's strategy of offering telecom services in 19 countries across South Asia and Africa.

### INDIAN TELECOM SECTOR

Financial year 2011 saw the continuance of strong customer growth for the Indian telecom market, which witnessed a 36% increase in its customer base during the 12-month period. The total telecom customer base in India stood at 846 Mn, second only to China, with teledensity of 70.9% as at the end of March 31, 2011.

While wireline customers decreased by 6%, the growth of the telecom sector was fuelled by the wireless segment. The wireless segment crossed the 800 Mn customer mark with 812 Mn customers as at end of March 31, 2011. The wireless segment grew by 39% during the year, contributing nearly 96% of the total telecom customer base. The telecom rural penetration at 33.8% at end of March 31, 2011 offers huge growth potential in terms of both customers and usage.

Growth in broadband services has been very low with 12 Mn broadband customers representing a broadband penetration of just 1% however the potential for growth is high. The impending rollout of the wireless broadband using TDD LTE technology coupled with the mobile platform leveraging 3G is likely to provide an impetus to broadband penetration.

With the advent of 3G services in India, the telecom market is all set to witness a new wave of mobile applications ushering the growth of data services including internet browsing, entertainment services, application stores, video calling, enterprise services, m-Health, m-Education, m-Commerce, e-governance, etc. This is expected to provide the trigger for the next phase of growth of the telecom industry. New innovative applications, enhanced user experience and decreasing price of 3G enabled handsets would be the key drivers of the adoption of the 3G services in India.

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

### AFRICAN TELECOM SECTOR

Year 2011 continued to experience growth in African telecom market. The total customer base grew 17% over the 12-month period. The total telecom customer base stood at 205 Mn as at end of March 2011.

Though a few countries have very high penetration, due to higher GDP per capita and relatively smaller population or multi – sim environment, penetration in outer markets where the Company operates is still low. Of 16 African countries where Airtel operates, only 7 countries (Congo B, Gabon, Ghana, Kenya, Nigeria, Seychelles and Sierra Leone) have crossed 50% SIM penetration mark.

The competitive intensity in each of the sixteen countries varies from 2 to 10 players. There have been no major competition launches during the year.

### RECENT DEVELOPMENT IN REGULATIONS

Telecom sector is one of the highly regulated sectors in India. Beside Department of Telecom (DoT), Telecom Regulatory Authority of India (TRAI) set up by the Government of India is the nodal authority, which regulates the telecom services in India. During the year some of the key regulatory changes were as follows:

- **3G & BWA Auction**

DoT completed the 3G and BWA (Broadband Wireless Access) auctions for the first time in India through a unique reverse auction process.

- **Mobile Number Portability (MNP)**

Post the launch of MNP in Haryana on November 25, 2010 as a pilot, MNP was launched on a pan India basis on January 20, 2011.

- **Measurement of EMF from Base station Antenna**

All service providers are required to submit self-certification for compliance to EMF radiation norms for all BTSs (Base Transceiver Station) with the respective Telecom Enforcement Resource and Monitoring (TERM) Cells of DoT by November 15, 2010 and has laid down a penalty of ₹ 5 lakhs per non-complaint site. For new BTS sites, DoT has mandated to start radiation only after submission of self-certificate to DoT. TERM cell will check 10% of the total sites, randomly.

- **Subscriber Verification**

DoT has decentralized the imposition of penalty in respect of subscriber verification failure cases to respective TERM Cells w.e.f. June 01, 2010. This was previously handled directly by DoT Headquarters.

On November 18, 2010, DoT clarified that subscriber verification on non-compliant cases referred from lawful security agencies, complaints, cases discovered during investigations of bulk cases, etc. may be separately investigated/ audited and will not be combined with the monthly sample Customer Acquisition Forms (CAF) audit for the purpose of calculating overall percentage compliance. The imposition of penalty on such cases will be applicable as per the graded

penalty prescribed by DoT for monthly audits ranging from ₹ 1,000 to ₹ 50,000 per subscriber.

On February 03, 2011, DoT clarified that in respect of subscriber verification failure cases, the penalty is to be calculated as per rate applicable in the slab relating to the percentage of correct subscriber verification for all failed CAFs in the audit.

- **Extension of Prepaid Mobile Services in J&K, Assam & North East**

DoT has extended Prepaid Mobile Services in J&K, Assam and North East Telecom service areas for the period of two years, till March 31, 2013.

- **Unsolicited Commercial Communications (UCC)**

On December 01, 2010, TRAI released “*The Telecom Commercial Communications Customer Preference Regulations, 2010*”. This Regulation covers both Commercial calls as well as SMSs and had to be effective from January 01, 2011. On January 31, 2011, the DoT had communicated a fresh numbering series beginning with the number “140” for mobile services telemarketers. However, due to non availability of the number series for fixed network, TRAI has further extended the date of implementation of this regulation.

- **Recommendations on Spectrum Management and Licensing Framework**

TRAI submitted its recommendations on Spectrum Management and Licensing Framework to DoT on May 11, 2010 and also set up an expert group to make suitable recommendations on pricing of 1800 MHz Spectrum. The Experts group submitted its report “The 2010 value of spectrum in 1800 MHz band” on January 30, 2011 with the recommendation for Pan India spectrum price (per MHz) up to 6.2 MHz to be approx. ₹ 1,769 Cr and the price of the Pan India spectrum (per MHz) beyond 6.2 MHz to be ₹ 4,571 Cr based on the above report.

- **TRAI recommendations on Efficient Utilization of Numbering resources in India**

On National numbering plan, TRAI has recommended to continue with the existing 10-digit numbering scheme. TRAI also recommended to migrate to an integrated 10-digit numbering scheme by December 31, 2011.

## OPPORTUNITIES AND THREATS

### Opportunities

#### *Untapped Landscape*

Indian telecom market holds large untapped potential in the rural areas. With majority of the population yet to get access to telecommunication and rural teledensity still at 33.8%; there is significant growth potential for the sector. While urban areas present potential for data services, rural areas provide robust and sustainable growth in the voice space.

Similarly in Africa, the mobile penetration level across most of the countries of operation is very low. The Company is aiming at fully exploiting this opportunity and drive deeper penetration, especially in the rural areas.

### *New technologies and Paradigms*

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

Powered by higher browsing speeds through technologies such as 3G, Value Added Services (VAS) offers a new area of growth. New services such as music downloads, mobile TV, MMS, video calling, video streaming and availability of relatively inexpensive feature rich phones are building the foundation of a content rich customer experience on mobile phones.

Like India, Africa too offers a potential market to leverage 3G and data through various mobile applications. Deployment of 3G network and products will be a priority this year for the African operations.

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

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

#### *Growing overseas*

Sri Lanka, Bangladesh and Africa offer exciting potential for Airtel and the Company is using its experience in the Indian telecom market to build a low cost business model for these markets as well.

#### *Strong Strategic Partnerships*

Forming enduring partnerships of strategic importance successfully is an intrinsic part of Bharti Airtel's DNA. Company's strategic alliance with SingTel has enabled it to continuously enhance and expand its telecommunication network in India. SingTel's investment in Bharti Airtel is one of their largest investments in the world outside Singapore. In addition, we have also forged strategic partnerships in specific areas including networks, information technology, call centre technology, content space and others.

These strategic partners have been an integral part of Bharti Airtel's achievements over the years. They have supported the Company's growth plans, helped it launch new and innovative products in the market and maintain its leadership position in the Indian telecom industry. Besides these strategic partners, Bharti Airtel is also engaged with a large number of partners, spread across the globe, who support its product and service requirements.

**Threats**

**Regulatory Environment**

Financial year 2010-11 was marked as a year of uncertain regulatory environment in India, with 2G license allotment taking center stage as a political agenda. The proposed National Telecom Policy 2011 will help in stabilizing the regulatory environment in the country. The Policy will aim at affordability and sustainability in the telecom sector for the larger benefit of population with clear and transparent regime covering licensing, predictable and transparent availability of spectrum, convergence, uniform telecom infrastructure guidelines, rationalization of taxes and levies, conducive manufacturing, enhancing digital literacy in the masses and ensuring competitiveness of telecom sector.

**Increased competition**

Mobile business continues to witness rollout of services by new operators in various circles. This resultant increase in competition may lead to further lowering in tariff rates. Increased competition is also witnessed in direct to home and enterprise services business, with the growing number of service providers for these services. Bharti Airtel, with significantly large and diverse customer base; integrated suite of products and services; pan India operations; and a very strong brand is best positioned to emerge stronger from the market environment and will retain its leadership position in the Indian market.

In Africa also, competition from other large global players poses a challenge and in turn the Company is countering this specific risk through its innovative products, superior customer services and positive relationships with local governments.

Political instability and government intervention is another key threat that the Company faces in a few countries in Africa. The Company proactively engages in positive relationships with the local governments and regulators to minimise the risk.

**REVIEW OF OPERATIONS**

Bharti Airtel put up a strong performance in the financial year 2010-11. The Company entered the league of global telcos by completing the acquisition of Zain Group's ("Zain") mobile operations in 15 countries across Africa on June 8, 2010. The Company later also acquired Telecom Seychelles Limited expanding its overall presence to 19 countries across the globe.

As on March 31, 2011, the Company had an aggregate of 220.9 Mn customers consisting of 211.9 Mn Mobile, 3.3 Mn Telemedia and 5.7 Mn Digital TV customers. Its total customer base as on March 31, 2011 increased by 61% compared to the customer base as on March 31, 2010.

The Company reported a net income of ₹ 60,467 Mn for the full year ended March 31, 2011, with a Y-o-Y decline of 33% due to increase in net finance charges (excluding forex restatement losses) (₹ 14,802 Mn), Forex restatement losses (₹ 6,833 Mn), re-branding expenses (₹ 3,395 Mn) and increase in spectrum charges in India (₹ 2,650 Mn).

**FINANCIAL PERFORMANCE**

Amount in ₹ Mn except ratios

Particulars	Financial Year		Y-o-Y Growth
	2010-11	2009-10	
Gross revenue	594,672	418,472	42%
EBITDA	199,664	167,633	19%
Earnings before taxation	76,782	105,091	-27%
Net income	60,467	89,768	-33%
Gross assets	1,503,473	731,871	105%
Capital expenditure	306,948	108,334	183%
Capital productivity	40%	57%	-

**KEY ACCOUNTING CHANGES**

Consequent to the adoption of IFRS w.e.f. April 1, 2010, and in consonance with IFRS 8 the 'Chief Operating decision maker' management approach the Company has reviewed its operating segments disclosures which are mentioned below. These have also been restated for prior periods.

**Mobile Services (India and South Asia)** – These services cover telecom services provided through cellular mobile technology in the geographies of India and South Asia. This also includes the captive national long distance network (erstwhile reported under Enterprise Services segment) which primarily provides connectivity to the Mobile Services business in India.

**Mobile Services (Africa)** – These services cover telecom services provided through cellular mobile technology in the African continent.

**Telemedia Services** – These services are provided through wire-line connectivity to customer household, small & medium businesses.

**Enterprise Services** – These services cover long distance services to third party international or domestic telecom service providers and internet broad-band/network solution services to corporate customers. [This segment previously included the captive national long distance network which has now been reported under Mobile Services (India & South Asia)].

**Passive Infra Services** – These services includes setting up, operating and maintenance of communication towers for wireless telecom services provided both within and outside the group in and out of India.

**Other Operations** – These represent revenues and expenses, assets and liabilities for the group none of which constitutes a separately reportable segment. The corporate headquarters expenses are not charged to individual segments.

**SEGMENT-WISE PERFORMANCE**

**Mobile Services (India and South Asia)**

The Company offers mobile services using GSM technology in South East Asia across India, Sri Lanka and Bangladesh, serving over 167 Mn customers in these geographies as at end of March 31, 2011.

The Company had over 162 Mn mobile customers in India as on March 31, 2011, which makes it the largest wireless operator in India both in terms of customers with a customer market share of 20% and revenues with a revenue market share of 30%. The Company offers post-paid, pre-paid, roaming, internet and other value added

services through its extensive sales and distribution network covering over 1.6 Mn outlets. It has its network presence in 5,113 census towns and 452,215 non-census towns and villages in India, covering approximately 86.1% of the country's population.

During the financial year gone by, the Company had acquired 3G licenses in 13 telecom services areas of the total 22 service areas (Delhi, Mumbai, Tamil Nadu, Karnataka, Andhra Pradesh, UP (West), Rajasthan, West Bengal, Himachal Pradesh, Bihar, Assam, North East and Jammu & Kashmir) and BWA licenses in 4 telecom service areas (Maharashtra, Kolkata, Punjab, Karnataka) in India at a total cost of ₹ 156.1 Bn (USD 3.3 Bn). The Company has recently launched 3G services in key cities of the country offering host of innovative services like Mobile TV entertainment, video calls, live streaming of videos, high definition gaming along with access to high speed internet.

Airtel Sri Lanka expanded its presence to all the 25 administrative districts of Sri Lanka with the launch of mobile services in the northern and the eastern region of the country and had 1.81 Mn customers as end of March 31, 2011. Airtel Sri Lanka has launched 3.5G services in major towns and have created a nation wide distribution network comprising over 26,000 retailers.

Airtel Bangladesh had 3.7 Mn customers as at end of FY11 and offers mobile services across 64 districts of Bangladesh with a distribution network of over 64,000 retailers across the country. The burgeoning economy of Bangladesh coupled with low penetration of approx. 43% and a strong youth base presents a unique market opportunity for telecom services in the Country.

#### Key financial results for the year ended March 31, 2011

Particulars	Financial Year		Y-o-Y Growth
	2010-11	2009-10	
Customers (Mn)	167.7	131.3	28%
Gross revenues (₹ Mn)	362,689	331,275	9%
EBIT (₹ Mn)	85,417	94,353	-9%

The Company registered a year on year growth of 9% in revenues despite growing competition from new entrants and declining realised rates per minute.

#### Mobile Services (Africa)

The Company offers mobile services using GSM technology in Africa across 16 countries and serves over 44 Mn customers in these geographies as at the end of March 31, 2011. The Company offers post-paid, pre-paid, roaming, internet and other value added services.

#### Key financial results for the year ended March 31, 2011

Particulars	Financial Year		Y-o-Y Growth
	2010-11	2009-10	
Customers (Mn)	44.2	-	N.A.
Gross revenues (₹ Mn)	130,834	-	N.A.
EBIT (₹ Mn)	5,173	-	N.A.

African operations are witnessing growth momentum over the past few quarters. The growth is fueled by the new brand identity and the Company's commitment to the network expansion.

#### Telemedia Services

The Company provides broadband (DSL), data and telephone services (fixed line) in 87 cities with concerted focus on the various

data solutions for the Small & Medium Business (SMB) segment. It had 3.3 Mn customers as at March 31, 2011 of which 43.1% subscribed to its broadband/internet services.

The product offerings in this segment include fixed-line telephones providing local, national and international long distance voice connectivity, broadband internet access through DSL; internet leased lines as well as MPLS (Multiprotocol Label Switching Solutions).

The Company remains strongly committed to its focus on the SMB segment by providing a range of telecom and software solutions and aim to achieve revenue leadership in this rapidly growing segment of the ICT (Information and Communications Technology) market. The strategy of the telemedia services business unit is to focus on cities and commercial pockets with high revenue potential.

#### Key financial results for the year ended March 31, 2011

Particulars	Financial Year		Y-o-Y Growth
	2010-11	2009-10	
Customers (Mn)	3.3	3.1	7%
Gross revenues (₹ Mn)	36,324	34,154	6%
EBIT (₹ Mn)	8,334	7,568	10%

The revenue growth of 6% year on year in telemedia services is mainly attributable to strong off-take of data services. Telemedia services ended the financial year with data revenues contributing over 50% of the total telemedia revenues in the last quarter of FY 2010-11.

#### Enterprise Services

Enterprise services delivers end-to-end telecom solutions to large Indian and global corporates by serving as the single point of contact for all telecommunication needs across data, voice, network integration and managed services requirement.

Enterprise services owns a state of the art national and international long distance network infrastructure, enabling it to provide connectivity services both within India and connecting India to the world.

The international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and investments in new cable systems such as Asia America Gateway (AAG), India Middle East and Western Europe (IMEWE), Unity North, EIG (Europe India Gateway) and East Africa Submarine System (EASSy) expanding the Company's global network to over 225,000 Rkms, covering 50 countries across 5 continents.

Revenues from enterprise services for the financial year ended March 31, 2011 were ₹ 41,292 Mn and represented a year on year decline of 8%.

#### Key financial results for the year ended March 31, 2011

Particulars	Financial Year		Y-o-Y Growth
	2010-11	2009-10	
Gross revenues (₹ Mn)	41,292	44,798	-8%
EBIT (₹ Mn)	5,536	9,328	-41%

While the Indian economy has been relatively insulated from the global economic slowdown, large corporates did however exercised caution in IT and Telecom spends which had its impact in FY11. Additionally, this segment witnessed the entry of some of the established mobile players in this segment resulting in increased competition and aggressive pricing.

All this had attributed to the decline in revenues in FY11. With clear signs of revival world wide and the Company's growing focus of being global network solution provider, the segment is well placed to be back on the growth trajectory.

**Digital TV Services**

Airtel Digital TV breached the coveted 5 Mn customer mark in FY11, in just 21 months of its national operations, fastest ever by any operator. The Company added 3.1 Mn digital TV customers during FY 2010-11 taking its total customer base to 5.7 Mn customers as at end of March 31, 2011. The Company added every 4th new customer joining the Direct-To-Home (DTH) platform despite stiff competition and aggressive pricing. Airtel is the first company in India that provides real integration of all the three screens viz. TV, Mobile and Computers enabling the customers' record their favourite TV programmes through mobile and web. The company continues to expand the distribution, going beyond 9,000 towns and deep into rural India.

**Passive Infrastructure Services**

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

Bharti Infratel deploys, owns and manages telecom towers and communications structures in 11 circles of India and also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea Cellular). Indus operates in 16 circles (4 circles common with Infratel, 12 circles on exclusive basis).

Bharti Infratel had 32,792 towers in 11 circles as at end of March 31, 2011, excluding the 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from January 01, 2009. Indus Towers had a portfolio of 108,586 towers including the towers under right of use.

**Key financial results for the year ended March 31, 2011**

Particulars	Financial Year		Y-o-Y Growth
	2010-11	2009-10	
Gross revenues (₹ Mn)	85,555	70,852	21%
EBIT (₹ Mn )	11,688	7,362	59%

**RISK AND CONCERNS**

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

Bharti Airtel believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. Bharti Airtel has a robust process to identify key risks and prioritize relevant action plans that can mitigate these risks. Subsequent to the acquisition of Zain's business in Africa, the risk assessment exercise has been extended to cover the Africa operations. Key risks that may impact the Company's business include:

- **Changes in Regulatory Environment**

Despite being a regulated and competitive sector, Indian telecom sector is maturing fast and continues to offer level playing field. Larger players control majority of market share and regulatory authorities keep consumers' interest at the forefront. Private players have driven the telecom growth in the country and Bharti Airtel has led from the front. In the process,

it has created a large pool of loyal customers and talented human resource capital, in addition to a vibrant brand.

In Africa, the regulatory environment in which Bharti Airtel operates in, varies from country to country and is at varying stages of development. This has contributed to uncertainties in the regulatory environment.

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

The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Technical failures and natural disasters even when covered by insurance may cause disruption, however temporary to the Company's operations.

The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and seamless service to its customers under most circumstances. This is of particular significance to Africa especially where Bharti Airtel is expanding its network coverage and capacity as part of its growth plans.

- **Increased competition; Irrational tariffs**

The Telecom industry in India has witnessed the entry of various new players which has resulted in heightened competition and drop in tariffs. The Company has made significant investments to build capabilities in customer analytics. These analytical abilities coupled with Company's continuous focus on cost-reduction initiatives has helped in offering plans that match customer expectations and gives them true value for their money. In addition, the Company has continually taken steps to enhance customer experience by offering new and innovative products and services, thereby providing many reasons for the customer to choose brand airtel.

In Africa increased competition resulted in tariff drops in Tanzania, Kenya, Uganda and Niger. The Company has embarked on an affordability strategy that includes bundled low cost handsets, low denomination coupons and Easy Recharge (electronic vouchers).

**INTERNAL CONTROL SYSTEMS**

The Company's philosophy towards control systems is mindful of leveraging resources towards optimisation while ensuring the protection of its assets. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports; ensures regulatory and statutory compliance; and safeguards investors' interest by ensuring highest level of governance and periodic communication with investors. In India M/s. PricewaterhouseCoopers Private Limited and M/s. ANB Consulting Private Limited are the joint internal auditors of the Company and submit quarterly audit reports to the Audit Committee.

The Company has taken several steps to further strengthen the internal control systems in Africa including significant improvement in the quality and frequency of various reconciliations, expansion of the scope and coverage of revenue assurance checks, segregation of duties, self-validation checks at the operating company level, training and educating key personnel on internal control aspects, IT security improvements, etc. with regard to Oracle ERP systems,

the Company has implemented Oracle in Bangladesh and has commenced implementation in Africa with added features for better internal controls on purchase-to-pay, fixed assets capitalisation and inventory control processes.

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

## HUMAN RESOURCES AND GLOBAL INTEGRATION INITIATIVES

With the expansion of our operations to 19 countries in two continents, and more importantly the multiple socio-cultural and economic environments, people have increasingly emerged as a strategic driver of the Company's business. Over the last year, people policies and people management framework have been aligned to serve the larger business goals on the global platform.

### Airtel India and South Asia

Long term development of human capital and strategic employment of retention tools remained at the core of the Company's strategy in India. BLEAP"- Business Leader Acceleration Programme and "ELeAP"- Emerging Leader Acceleration Programme, helped it to prepare top talent from middle and senior management to take on leadership positions in the organisation. Similarly, differentiated compensation together with new long term incentive plans, job enrichment and development through special training interventions helped the Company to retain top talent.

Partnering with Business to create a more tech-savvy employee pool was one of the key planks of people development. Following the emergence of 3G, data and other technologies, almost 95% of sales employees have been covered through 3G learning interventions. The Company has taken various initiatives to improve employee productivity and efficiency by providing enriched jobs, career opportunities for growth and incentives.

Year 2010-11 was also the year of *One Airtel* organisation across South Asia – wherein we saw integration of people, IT and other processes in Bangladesh and Sri Lanka. Airtel India processes and systems in the areas of people and capability development were replicated in both the countries.

The Company won the '2010 Gallup Great Workplace Award' once again and featured amongst the top 10 companies in 'Business Today Best Company to Work for' survey. The 'Great Places to Work' study rated Airtel amongst Top 4 Large companies. The Outlook Business - Aon Hewitt survey rated Airtel amongst the Top 5 companies in India.

### Africa

Appreciation of people challenges and integrating people to the *airtel* way remained a key thrust area during the year in Africa. Africa

### Cautionary Statement

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

Leadership Conclave in Kampala, Uganda in June 2010, involving 130 senior leaders from the 16 African operations was the first serious initiative on this score. The highlight of the Conclave was a joint visioning exercise to develop the vision for Airtel Africa 2015 - "To be the most loved brand in the daily lives of Africans".

Ensuring availability of the right talent at the Nairobi Head Office and the individual Opcos remained an overriding priority. Gaps in the talent framework were proactively filled through multiple sources – promoting local talent duly supported by deputing select personnel from India to fill key positions. The amalgamation of expat and local talent is working seamlessly ensuring smooth and dynamic business delivery.

Airtel Africa has also initiated transformation in the areas of IT, Network and CSD with key best in class partners.

Training programmes for the multi-lingual workforce were conducted for continuous up skilling at Opcos. Approx 6,000 personnel have been trained across all Opcos.

Cross pollination of talent within *airtel's* global workforce is an important element of our HR initiative. Movement of young high potential Africa employees to Airtel India to understand the Airtel business model has commenced and is gathering momentum. Various knowledge sharing platforms have also been created to ensure seamless knowledge transfer across geographies.

## OUTLOOK

As a market leader in the Indian Telecom space, Bharti Airtel's outlook is promising and is in line with future growth potential of the sector. Emerging markets of Sri Lanka and Bangladesh and newer product family of Digital TV will continue to be the focus areas and Airtel will continue to build its integrated solutions created for enterprise and small & medium business.

Rated as a pioneer in bringing life enriching telecom products and services for the customers, *airtel* will continue its journey with Commerce and Entertainment verticals. 3G and BWA licenses will further usher a new era of content rich applications and services for the customers. With stronger emphasis on Data business across domestic and international markets, the Company believes data will be a key driver of overall growth.

With its business offerings across the entire telecom spectrum to retail and institutional customers and geographic spread spanning most of the urban and rural India, enables *airtel* to benefit from all possible growth opportunities in the Indian market. Also its continued unwavering focus on cost and synergies across the organization will keep it in good stead and this very business model augurs well for its expansion and success in new geographies.

As regard the Africa operations, looking forward into FY 2011-12, the Company will be focusing on strengthening its business model across all the 16 countries of operation. It will also be leveraging the opportunities that 3G, data, MNP and *airtel money presents*. Exploited fully, these opportunities have the potential to make Airtel truly unique to both current and prospective customers in the market.

## Standalone abridged financial statements with Auditors' report

### Auditors' report on abridged financial statements

To,  
The Members of Bharti Airtel Limited,

We have examined the abridged balance sheet of Bharti Airtel Limited ('the Company') as at March 31, 2011, the abridged profit and loss account and the abridged cash flow statement for the year ended on that date, together with the notes thereon (hereafter collectively referred to as "abridged financial statements"). These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and Clause 32 of the Listing Agreement and are based on the accounts of the Company for the year ended March 31,

2011 prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report dated May 5, 2011 to the members of the Company which report is attached.

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

per Prashant Singhal  
Partner  
Membership No. 93283

Place: New Delhi  
Date: May 5, 2011

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### Auditors' Report

To  
The Members of Bharti Airtel Limited,

1. We have audited the attached Balance Sheet of Bharti Airtel Limited ('Bharti Airtel' or 'the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
  - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
  - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

per Prashant Singhal  
Partner  
Membership No. 93283

Place: New Delhi  
Date: May 5, 2011

**Annexure referred to in paragraph 4 of our report of even date**

Re: BHARTI AIRTEL LIMITED ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, *however, is in the process of updating* quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.
- (b) The capitalized fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the programme, a portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The Company is in the process of reconciling the quantitative and situation details of the physical verification results with the records maintained by the Company.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory (other than inventory with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us,

we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess and other material statutory dues applicable to it. The provisions relating to excise duty is not applicable to the Company.  
  
Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn.)	Period to Which it Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	4,661.28	2000-02; 2005-08; 2009-10	High Court of Andhra Pradesh
Gujarat Sales Tax Act	Sales Tax	0.93	2006-07	Commissioner (Appeals)
West Bengal Sales Tax Act	Sales Tax	0.40	1996-97	DCCT - Appellate Stage
West Bengal Sales Tax Act	Sales Tax	0.01	1997-98	DC Appeals
West Bengal Sales Tax Act	Sales Tax	0.28	1995-96	The Commercial Tax Officer
West Bengal Sales Tax Act	Sales Tax	-	2004-05	West Bengal Taxation Tribunal
West Bengal Sales Tax Act	Sales Tax	324.85	2005-06	DCCT Appeal
West Bengal Sales Tax Act	Sales Tax	1,095.80	2006-08	Appellate Authority
UP VAT Act	Sales Tax	2.93	2004-05; 2006-08	Assessing Officer
UP VAT Act	Sales Tax	9.18	2002-10	Reviewing authorities
UP VAT Act	Sales Tax	0.88	2009-10	Additional Commissioner Appeals
UP VAT Act	Sales Tax	0.50	2003-04	Joint Commissioner Appeals
UP VAT Act	Sales Tax	22.71	2003-07, 2009-10	Joint Commissioner Appeals
UP VAT Act	Sales Tax	9.45	2006-07;	High Court of Judicature at Allahabad, Lucknow Bench
UP VAT Act	Sales Tax	-	2008-09	Assistant Commissioner of Sales tax
UP VAT Act	Sales Tax	4.36	2006-07; 2008-09	Commercial Taxes Tribunal
UP VAT Act	Sales Tax	0.54	2005-06	Appellate Authority
Haryana Sales Tax Act	Sales Tax	2.80	2002-2004	Joint Commissioner
Haryana Sales Tax Act	Sales Tax	1.35	2009-10	Assessing Officer
Haryana Sales Tax Act	Sales Tax	1.80	2007-09	Finance Commissioner (Appeal)
Punjab Sales Tax Act	Sales Tax	0.61	2001-02	Joint Director (Enforcement)
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22.08	1997-01 & 2003-06 & 2007-08	Deputy Commissioner Appeals
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	15.44	2007-08	Appellate Authority
UP VAT Act	Sales Tax	1.13	2002-05	Assistant Commissioner
Karnataka Sales Tax Act	Sales Tax	3,449.57	2002-09	Tribunal
Kerala Sales Tax Act	Sales Tax	0.80	2009-11	Intelligence Officer Squad No. V, Palakkad
Bihar Value Added Sales Tax Act	Sales Tax	11.33	2005-07	Joint Commissioner Appeals
Bihar Value Added Sales Tax Act	Sales Tax	19.87	2006-07; 2007-08	Assistant Commissioner
Delhi Value Added Tax Act	Sales Tax	12.75	2005-06	Sales Tax Department
J&K General Sales Tax	Sales Tax	28.85	2004-07	High Court
Karnataka Sales Tax Act	Sales Tax	0.15	2005-06	High Court
Tamil Nadu Sales Tax Act	Sales Tax	634.28	1996-2001	Commercial Tax Officer
<b>Sub Total (A)</b>		<b>10,336.88</b>		
Finance Act, 1994 (Service tax provisions)	Service Tax	1,458.99	1997-2009; 2010-11	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	46.81	1999-00, 2002-08	Commissioner (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	0.45	2004-06	Deputy Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	231.02	2000-01 & 2005-08	Suppdt. of Mohali
Finance Act, 1994 (Service tax provisions)	Service Tax	19.77	2004-07	Commissioner of Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	334.52	2004-08	Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	-	2006-07	Joint Commissioner of Central Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	5.56	2001-02; 2005-06	Deputy Commissioner of Service Tax (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	0.97	1994-95	Additional Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	1.17	1994-95; 2003-04	Assistant Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	3.66	2006-07	Joint Commissioner of Service Tax
<b>Sub Total (B)</b>		<b>2,102.91</b>		

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn.)	Period to Which it Relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2,884.73	1994-2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5.95	1994-1995; 1996-97; 1999-00; 2003-05	High Court
Income Tax Act, 1961	Income Tax	7,958.59	2006-07	Dispute Resolution Panel
Income Tax Act, 1961	Income Tax	1,602.90	1996-97; 2005-10	Assessing Officer
Income Tax Act, 1961	Income Tax	1,296.30	1997-98, 2000-01 to 2006-07	Income Tax Appellate Tribunal
<b>Sub Total (C)</b>		<b>13,748.46</b>		
Customs Act-1962	Custom Act	2,167.15	2001-04; 2007-08	Commissioner of Customs
Customs Act-1962	Custom Act	31.19	2005-06	Customs, Excise and Service Tax Appellate Tribunal, Chennai
<b>Sub Total (D)</b>		<b>2,198.35</b>		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Sales Tax is ₹ 1,024 Mn., Service Tax is ₹ 15 Mn., Income Tax is ₹ 1,572 Mn. and Custom Duty is ₹ 74 Mn.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, funds amounting to ₹ 40,796 Mn raised on short-term basis (primarily represented by capital creditors) have been used for long-term investment (primarily represented by fixed assets).
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has created security or charge in respect of debentures outstanding at the year end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit *except few cases of fraud, primarily in the nature of unauthorized use of Company's services, on the Company by employees and external parties estimated at ₹ 5 Mn and ₹ 63.7 Mn, respectively*, as detected by the management for which appropriate steps were taken to recover the amount and ₹ 2.8 Mn out of such estimated amounts, has been recovered by the Company.

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

per Prashant Singhal  
Partner  
Membership No. 93283

Place: New Delhi  
Date: May 5, 2011

**Abridged Balance Sheet as at March 31, 2011***(Statement containing salient features of Balance Sheet as per Section 219 (1) (b) (iv) of the Companies Act, 1956)*

(₹ Millions)

Particulars	Schedule No.	As at March 31, 2011	As at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
(a) Capital			
(i) Equity Share Capital		18,988	18,988
(b) Employee Stock Options Outstanding		3,694	2,839
Less: Deferred Stock Compensation		<u>908</u>	<u>978</u>
(c) Reserves and Surplus			
(i) Capital Reserve		51	51
(ii) General Reserve		18,865	13,124
(iii) Revaluation Reserve		21	21
(iv) Surplus in Profit and Loss Account		334,820	267,785
(v) Securities Premium		40,641	40,533
(vi) Debenture Redemption Reserve		32	97
(vii) Reserve for Business Restructuring		24,912	24,912
<b>Loan Funds</b>			
(a) Debentures (Non-Convertible)		125	375
(b) Secured Loans (other than debentures)		46	19
(c) Unsecured Loans		118,804	49,995
<b>Deferred Tax Liability (Net)</b>		<u>5,276</u>	<u>33</u>
<b>Total</b>		<u><u>565,367</u></u>	<u><u>417,794</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
(a) Net block (Original cost less depreciation)		407,008	280,250
(b) Capital work-in-progress (Including Capital Advances)		<u>64,976</u>	<u>15,947</u>
		<u>471,984</u>	<u>296,197</u>
<b>Investments</b>			
(a) Government securities (Unquoted)		2	2
(b) Investment in Subsidiary Companies (Unquoted)		116,802	111,288
(c) Others			
(i) Quoted		1,050	41,533
(ii) Unquoted		<u>276</u>	<u>4,910</u>
		<u>118,130</u>	<u>157,733</u>
<b>Current Assets, Loans and Advances</b>			
(a) Inventories		344	272
(b) Sundry Debtors		23,758	21,050
(c) Cash and Bank Balances		1,338	8,167
(d) Other Current Assets		1,015	664
(e) Loans and Advances			
(i) To Subsidiary Companies (Net)		46,420	21,205
(ii) To Others		<u>56,617</u>	<u>41,941</u>
		<u>129,492</u>	<u>93,299</u>
<b>Less: Current Liabilities and Provisions</b>			
(a) Liabilities		147,963	122,848
(b) Provisions		<u>6,276</u>	<u>6,587</u>
		<u>154,239</u>	<u>129,435</u>
<b>Net Current Assets</b>		<u>(24,747)</u>	<u>(36,136)</u>
<b>Total</b>		<u><u>565,367</u></u>	<u><u>417,794</u></u>
<b>Notes to the Abridged Financial Statements</b>	<b>1</b>		

As per our report of even date

The Schedule referred to above form an integral part of Abridged Balance Sheet

For S.R. BATLIBOI &amp; ASSOCIATES

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

Firm Registration No.: 101049W

Chartered Accountants

per Prashant Singhal

Partner

Membership No.: 93283

Sunil Bharti Mittal  
Chairman & Managing DirectorAkhil Gupta  
DirectorPlace: New Delhi  
Date: May 5, 2011Sanjay Kapoor  
CEO (India &  
South Asia)Vijaya Sampath  
Group General Counsel &  
Company SecretarySrikanth Balachander  
Chief Financial Officer

# Abridged Profit and Loss Account for the year ended March 31, 2011

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

(₹ Millions)

Particulars	Schedule No.	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>INCOME</b>			
Service Revenue		379,924	355,861
Sale of Goods		234	234
Interest		551	1,037
Other income		2,679	2,736
<b>TOTAL</b>		<b>383,388</b>	<b>359,868</b>
<b>EXPENDITURE</b>			
<b>Cost of Goods Sold</b>			
Opening stock	272		622
Add: Purchases	2,513		2,786
Less: Simcard Utilisation	2,227		2,436
Less: Internal issues/capitalised	53		497
Less: Closing stock	344	161	272
Access Charges		49,872	44,357
Network Operating		85,712	74,467
Sales and Marketing		31,802	24,049
Personnel		14,152	15,006
Managerial Remuneration		360	299
Interest		995	1,073
Depreciation and Amortization		46,116	40,045
Auditors' Remuneration		76	53
Provisions for (i) Doubtful debts and advances*		(1,688)	2,268
(ii) Diminution in stock/Capital work-in-progress		229	487
*(Refer Note 11 on Schedule 1)			
Licence fee & Spectrum charges (revenue share)		42,903	37,549
Administrative and Other Expenses		25,440	13,019
<b>TOTAL</b>		<b>296,130</b>	<b>252,875</b>
<b>Profit before Tax</b>		<b>87,258</b>	<b>106,993</b>
MAT credit		(12,469)	(10,386)
[Includes ₹ 345 Mn for earlier year (2009-10 ₹ 704 Mn)]			
Tax Expense			
- Current Tax		17,315	19,813
[Includes ₹ (13) Mn for earlier year (2009-10 ₹ 952 Mn)]			
- Deferred Tax		5,243	3,304
<b>Profit after Tax</b>		<b>77,169</b>	<b>94,262</b>
Transferred from Debenture Redemption Reserve		65	38
Transferred to General Reserve		5,800	7,100
Proposed Dividend on Equity Share (Refer Note 12 on Schedule 1)		3,798	3,798
Tax on Dividend Proposed/Paid		601	645
<b>Profit after Appropriation</b>		<b>67,035</b>	<b>82,757</b>
<b>Profit brought forward</b>		<b>267,785</b>	<b>185,028</b>
<b>Transfer to Reserves and Surplus</b>		<b>334,820</b>	<b>267,785</b>
Earnings per share (in ₹) - Basic		20.32	24.83
Earnings per share (in ₹) - Diluted		20.32	24.82
Notes to the Abridged Financial Statements	1		

As per our report of even date

The Schedule referred to above form an integral part of Abridged Profit and Loss Account

For S.R. BATLIBOI & ASSOCIATES

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

Firm Registration No.: 101049W

Chartered Accountants

per Prashant Singhal

Partner

Membership No.: 93283

Sunil Bharti Mittal  
Chairman & Managing Director

Akhil Gupta  
Director

Place: New Delhi  
Date: May 5, 2011

Sanjay Kapoor  
CEO (India &  
South Asia)

Vijaya Sampath  
Group General Counsel &  
Company Secretary

Srikanth Balachander  
Chief Financial Officer

## Abridged Cash Flow Statement for the year ended March 31, 2011

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	87,258	106,993
<b>Adjustments for:</b>		
Depreciation	41,937	37,939
Interest Expense and other finance charges	2,845	2,745
Interest Income	(551)	(1,037)
(Profit)/Loss on Sale of Assets (Net)	246	171
(Profit)/Loss on sale of Investments	(1,550)	(1,839)
Amortisation of ESOP Expenditure	1,094	934
Lease Equalisation/FCCB Premium	2,746	2,768
Provision for Deferred Bonus/Long term service award	139	159
Amortisation	4,179	2,106
Debts/Advances Written off	3,870	718
Provision for Bad and Doubtful Debts/Advances	(1,688)	2,268
Liabilities/Provisions no longer required written back	(131)	(444)
Provision for Gratuity and Leave Encashment	659	198
Provision for Diminution in Stock/ Capital work-in-progress/ Security Deposit	229	672
Unrealised Foreign Exchange (gain)/loss	(15)	(8,602)
Loss/(Gain) from swap arrangements	122	88
Provision for Wealth Tax	1	-
<b>Operating profit before working capital changes</b>	<b>141,390</b>	<b>145,837</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Sundry Debtors	(4,663)	1,581
- (Increase)/Decrease in Other Receivables	(3,219)	(4,181)
- (Increase)/Decrease in Inventory	(301)	158
- Increase/(Decrease) in Trade and Other Payables	15,230	3,253
<b>Cash generated from operations</b>	<b>148,437</b>	<b>146,648</b>
Taxes (Paid)/Received	(16,283)	(19,721)
<b>Net cash from operating activities</b>	<b>132,154</b>	<b>126,927</b>
<b>B. Cash flow from investing activities:</b>		
<b>Adjustments for changes in:</b>		
Purchase of fixed assets	(212,304)	(72,553)
Proceeds from Sale of fixed assets	346	357
Proceeds from Sale of Investments	341,871	291,901
Purchase of Investments	(295,203)	(315,708)
Interest Received	573	1,193
Net movement in advances given to Subsidiary Companies	(25,215)	(6,764)
Purchase of Fixed Deposits (with maturity more than three months)	(54)	(17,437)
Proceeds from Maturity of Fixed Deposits (with maturity more than three months)	4,750	27,302
Acquisition/ Subscription/ Investment in Subsidiaries/ Associate/Joint Venture	(5,514)	(14,309)
<b>Net cash used in investing activities</b>	<b>(190,750)</b>	<b>(106,018)</b>

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>C. Cash flow from financing activities:</b>		
Issue of Shares under ESOP Scheme (including share application)	-	164
Receipts from long-term borrowings	79,500	7,181
Payments for long-term borrowings	(32,983)	(25,417)
Net movement in cash credit facilities and short-term loans	21,350	496
Dividend Paid	(3,798)	(3,796)
Tax on dividend paid	(630)	(645)
Interest and other finance charges paid	(6,852)	(3,314)
Gain/(Loss) from swap arrangements	(122)	(62)
<b>Net cash from/(used) in financing activities</b>	<b>56,465</b>	<b>(25,393)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,131)</b>	<b>(4,484)</b>
<b>Opening Cash and Cash Equivalents</b>	<b>3,415</b>	<b>7,899</b>
<b>Cash and Cash Equivalents as at year end</b>	<b>1,284</b>	<b>3,415</b>
<b>Cash and Cash Equivalents comprise:</b>		
Cash and Cheques on hand	235	295
Balance with Scheduled Banks	1,103	7,872
<b>Cash and Bank Balances</b>	<b>1,338</b>	<b>8,167</b>
Less: Fixed deposits not considered as cash equivalents	54	4,752
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>1,284</b>	<b>3,415</b>

**Notes:**

- Figures in brackets indicate cash out flow.
- The above Cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under the Companies (Accounting Standard) Rules, 2006 (as amended).
- Cash and cash equivalents includes ₹ 16 Mn pledged with various authorities (March 31, 2010- ₹ 16 Mn) which are not available for use by the Company. Cash and cash equivalents also includes ₹ 14 Mn as unpaid dividend.
- Advances given to Subsidiary Companies have been reported on net basis.
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year's classification.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES**

Firm Registration No.: 101049W

Chartered Accountants

per Prashant Singhal  
Partner  
Membership No.: 93283

Place: New Delhi  
Date: May 5, 2011

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

Sunil Bharti Mittal  
Chairman & Managing Director

Sanjay Kapoor  
CEO (India &  
South Asia)

Vijaya Sampath  
Group General Counsel &  
Company Secretary

Akhil Gupta  
Director

Srikanth Balachander  
Chief Financial Officer

## Notes to the Abridged Financial Statements for the year ended March 31, 2011

### SCHEDULE: 1

#### 1. Background

Bharti Airtel Limited ('Bharti Airtel' or 'the Company') incorporated in India on July 7, 1995, is a Company promoted by Bharti Telecom Limited ('BTL'), a Company incorporated under the laws of India.

(Note 1 on Schedule 21 of the Annual Standalone Financial Statements)

#### 2. Basis of Preparation

The abridged financial statements have been prepared, on the basis of the complete set of audited standalone financial statements for the year ended March 31, 2011, (hereinafter referred to as 'Annual Standalone Financial Statements'), prepared in accordance with Schedule VI to the Companies Act, 1956, for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the abridged financial statements are in accordance with the requirements of Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and Clause 32 of the Listing Agreement. These are the first abridged financial statements of the Company.

(Note 2 on Schedule 20 of the Annual Standalone Financial Statements)

#### 3. Significant Accounting Policies

(Schedule 20 of the Annual Standalone Financial Statements)

#### 4. Contingent liabilities

- a) Total Guarantees outstanding as at March 31, 2011 amounting to ₹ 25,140 Mn (March 31, 2010 ₹ 30,435 Mn) have been issued by banks and financial institutions on behalf of the Company.

Corporate Guarantees outstanding as at March 31, 2011 amounting to ₹ 452,314 Mn (March 31, 2010 ₹ 8,498 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies.

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

Particulars	(₹ Millions)	
	As at March 31, 2011	As at March 31, 2010
(i) Taxes, Duties and Other demands (under adjudication/appeal/dispute)		
- Sales Tax	3,906	434
- Service Tax	2,061	2,022
- Income Tax	6,570	5,618
- Customs Duty	2,198	2,198
- Stamp Duty	353	353
- Entry Tax	2,521	1,956
- Municipal Taxes	1	1
- Access Charges/Port Charges	3,710	1,282
- DoT demands	1,072	712
- Other miscellaneous demands	114	83
(ii) Claims under legal cases including arbitration matters	410	373
	<b>22,916</b>	<b>15,033</b>

In respect of above, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

In the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. The Company, believes, that there would be no liability that would arise from this matter.

(Note 3 on Schedule 21 of the Annual Standalone Financial Statements)

#### 5. Export Obligation

Bharti Airtel has obtained licenses under the Export Promotion Capital Goods ('EPCG') Scheme for importing capital goods at a concessional rate of customs duty against submission of bank guarantee and bonds.

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

Accordingly, the Company is required to export goods and services of FOB value of ₹ 2,404 Mn as at March 31, 2011 (March 31, 2010 ₹ 1,003 Mn) by November 24, 2018.

(Note 4 on Schedule 21 of the Annual Standalone Financial Statements)

6. a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 22,484 Mn as at March 31, 2011 (March 31, 2010- ₹ 15,684 Mn).

b) Under the IT Outsourcing Agreement, the Company has commitments to pay ₹ 5,741 Mn as at March 31, 2011 (March 31, 2010 - ₹ 6,597 Mn) comprising of finance lease and service charges. In addition, the future monthly rentals under this contract are determined on a revenue share basis over the non-cancellable period of the agreement.

(Note 5 (a) & (b) on Schedule 21 of the Annual Standalone Financial Statements)

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

(a) Loan and advance in the nature of loan bearing nil interest given to Bharti Telemedia Limited ₹ 24,969 Mn (March 31, 2010 ₹ 14,880 Mn); Maximum amount

outstanding during the year ₹ 24,969 Mn (2009-10 ₹ 14,880 Mn).

- (b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at LIBOR + 4.5% interest rate is ₹ 9,697 Mn. (March 31, 2010 ₹ 6,184 Mn); Maximum amount outstanding during the year ₹ 9,697 Mn (2009-10 ₹ 6,184 Mn).
- (c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.1% interest rate is ₹ 11,654 Mn. (March 31, 2010 ₹ Nil); Maximum amount outstanding during the year ₹ 11,654 Mn (2009-10 ₹ Nil).
- (d) Loan and advance in the nature of loan given to Alcatel-Lucent Network Management Services India Limited at SBI PLR + 1% interest rate is ₹ 90 Mn. (March 31, 2010 ₹ Nil); Maximum amount outstanding during the year ₹ 90 Mn (2009-10 ₹ Nil).
- (e) Loan and advance in the nature of loan given to Bharti Teleports Limited at 13% p.a. interest rate is ₹ 210 Mn. (March 31, 2010 ₹ 100 Mn); Maximum amount outstanding during the year ₹ 210 Mn (2009-10 ₹ 102 Mn).

(Note 11 on Schedule 21 of the Annual Standalone Financial Statements)

8. The aggregate managerial remuneration under Section 198 of the Companies Act, 1956 to the directors (including Managing Director) is

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Whole time Directors		
Salary	111	92
Contribution to Provident fund and other funds	13	11
Reimbursements and Perquisites	0.5	1
Performance Linked Incentive	192	179
<b>Total Remuneration payable to Whole time Directors*</b>	<b>316</b>	<b>283</b>
Non-Whole time Directors		
Commission	43	16
Sitting Fees	1	0.5
<b>Total amount paid/payable to Non-Whole time Directors</b>	<b>44</b>	<b>16</b>
<b>Total Managerial Remuneration</b>	<b>360</b>	<b>299</b>

\* As the liabilities for Gratuity and Leave Encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956, and calculation of Remuneration payable to Directors:

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Net Profit before tax from ordinary activities	87,258	106,993
Add: Remuneration to Whole time directors	316	283
Add: Amount Paid to Non-Whole time Directors	44	16
Add: Depreciation and Amortisation provided in the books*	46,116	40,045
Add: (Profit)/Loss on Sales of Fixed Assets	246	171
Add: Provision for doubtful debts and advances	(1,688)	2,268
Less: Depreciation under Section 350 of the Companies Act, 1956	46,116	40,045
<b>Net Profit/(Loss) for the year under Section 349</b>	<b>86,176</b>	<b>109,730</b>
Maximum Amount paid/payable to Non-Whole time Directors Restricted to 1%	862	1,097
Maximum Amount paid/payable to Whole time Directors Restricted to 10%	8,618	10,973
<b>Amount Paid/Payable to Directors (excluding sitting fees)</b>	<b>359</b>	<b>298</b>

\*The Company provides depreciation on Fixed Assets based on useful lives of assets that are lower than those implicit in Schedule XIV of the Companies Act, 1956. Accordingly the rates of depreciation followed by the Company are higher than the minimum prescribed rate as per Schedule XIV.

Remuneration paid/payable to directors from subsidiary companies

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Salary	38	25
Contribution to Provident fund and other funds	4	3
Reimbursements and Perquisites	3	-
Performance Linked Incentive	27	21
Sitting Fees	0.02	0.05
<b>Total Remuneration payable to directors from subsidiary companies*</b>	<b>72</b>	<b>49</b>

\* As the liabilities for Gratuity and Leave Encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Directors are not included above.

(Note 15 on Schedule 21 of the Annual Standalone Financial Statements)

9. Amounts due to micro, and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 aggregate to ₹ 22 Mn (March 31, 2010 – ₹ 38 Mn) based on the information available with the Company and the confirmation received from the creditors till the year end:

Sr. No.	Particulars	(₹ Millions)	
		March 31, 2011	March 31, 2010
1.	The principal amount and the interest due thereon [₹ 0.25 Mn (March 31, 2010 – ₹ 0.14 Mn)] remaining unpaid to any supplier as at the end of each accounting year	22	38
2.	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.25	0.14
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

(Note 17 on Schedule 21 of the Annual Standalone Financial Statements)

#### 10. Aggregate Market Value of Quoted Investments

As at March 31, 2011 and March 31, 2010, the aggregate market value of quoted investment is ₹ 1,051 Mn and ₹ 42,167 Mn respectively.

(Schedule 6 of the Annual Standalone Financial Statements)

#### 11. Movement in provision for doubtful debts/advances:

Particulars	(₹ Millions)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Balance at the beginning of the year	14,599	12,331
Addition - Provision for the year	2,182	2,986
Application - Write off of bad debts (net off recovery)	(3,870)	(718)
<b>Balance at the end of the year</b>	<b>12,911</b>	<b>14,599</b>

(Note 30 on Schedule 21 of the Annual Standalone Financial Statements)

12. The Board of Directors recommended a final dividend of ₹ 1.00 per equity share of ₹ 5.00 each (20% of face value) for financial year 2010-11. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

(Note 31 on Schedule 21 of the Annual Standalone Financial Statements)

#### 13. Quantitative Information

Class of Goods	Sales (Refer Note 2 below) 2010-11		Sales (Refer Note 2 below) 2009-10	
	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)
Simcards	-	-	-	-
TDMA/PAMA VSATs	-	-	-	-
Assembly sets (Refer Note 1 below)	-	208	-	111
Internet Modem, Handsets Antennae & others (Refer Note 1 below)	-	26	-	123
		<b>234</b>		<b>234</b>

- (1) The quantitative information for TDMA/PAMA VSATs, Assembly sets, Modems, handsets, antennas and others has not been given since they constitute voluminous small items.
- (2) Includes deferred revenue recognized during the year with respect to sim cards.

(Note 18 on Schedule 21 of the Annual Standalone Financial Statements)

#### 14. Ratios

Ratios	For the year ended March 31, 2011	For the year ended March 31, 2010
Sales to total assets ratio	0.53	0.65
Operating Profit/Average Capital employed ratio (%)*	17.88%	25.29%
Return on Average Net worth (%)**	19.09%	29.28%
Profit after tax to Sales ratio (%)	20.30%	26.47%

\* Capital Employed is computed as Paid up capital + ESOP outstanding (net) + Reserves + Debt

\*\* Net worth is computed after including ESOP outstanding (net) and excluding Revaluation Reserve

# Consolidated abridged financial statements with Auditors' report

## Auditors' report on abridged consolidated financial statements

To,  
The Members of Bharti Airtel Limited,

We have examined the accompanying abridged consolidated IFRS statement of financial position of Bharti Airtel Limited and its subsidiaries (the "Group"), and its associates and joint ventures as at March 31, 2011 and the related abridged consolidated statements of comprehensive income for the year then ended, the abridged consolidated statement of changes in equity and the abridged consolidated cash flow statement for the year then ended, together with the notes thereon (hereafter collectively referred to as "abridged consolidated financial statements"). These abridged consolidated financial statements have been prepared by the Group pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and Clause 32 of the Listing Agreement and are based on the accounts of the Group and its associates and joint

ventures for the year ended March 31, 2011 prepared in accordance with the International Financial Reporting Standards (IFRS) and covered by our report dated May 5, 2011 to the Directors of the Company which report is attached.

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

per Prashant Singhal  
Partner  
Membership No. 93283

Place: New Delhi  
Date: May 5, 2011

## Auditors' Report

### Report of Independent Auditors

To the Board of Directors of Bharti Airtel Limited

We have audited the accompanying consolidated statement of financial position of Bharti Airtel Limited ("the Company") and its subsidiaries (together referred to as "the Group") and its associates and joint ventures as at March 31, 2011, March 31, 2010 and April 1, 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the years ended March 31, 2011 and March 31, 2010, and a summary of significant accounting policies and other explanatory notes.

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

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

We did not audit the financial statements of a joint venture, included herein with the Company's share of total assets of ₹ 63,406 Mn, ₹ 54,577 Mn, and ₹ 35,283 Mn as at March 31, 2011, March 31, 2010 and April 1, 2009, respectively, the total revenue (including recovery of power and fuel charges) of ₹ 45,184 Mn and ₹ 37,500 Mn for the years ended March 31, 2011 and March 31, 2010, respectively, and the cash outflows amounting to ₹ 113 Mn and ₹ 1,751 Mn for the year ended March 31, 2011 and March 31, 2010, respectively, on the basis of amounts reflected in the audited financial statements of the joint venture and before elimination of

inter-company transactions between the Company and the joint venture on Consolidation. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

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

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the consolidated financial statements give a true and fair view of the financial position of the Group and its associates and joint ventures as of March 31, 2011, March 31, 2010 and April 1, 2009, and of its financial performance and its cash flows for each of the years ended March 31, 2011 and March 31, 2010, in accordance with International Financial Reporting Standards.

We have performed audit of the financial statements of the Group and its associates and joint ventures containing amounts in respect of the three months periods and the years ended March 31, 2011 and March 31, 2010, in respect of which we have issued our audit report dated May 5, 2011 ("Earlier Report"). This current report is not a reissuance or redating of that Earlier Report.

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

per Prashant Singhal  
Partner  
Membership No.: 93283

Date: May 5, 2011  
Place: New Delhi

## Abridged Consolidated Statement of Comprehensive Income

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

	Year ended March 31, 2011	Year ended March 31, 2010
Revenue	594,672	418,472
Operating expenses	(395,008)	(250,839)
	<b>199,664</b>	<b>167,633</b>
Depreciation and amortisation	(102,066)	(62,832)
<b>Profit/(Loss) from operating activities</b>	<b>97,598</b>	<b>104,801</b>
Share of results of associates	(57)	(48)
Other income	1,346	697
Non-operating expense	(292)	(181)
<b>Profit/(Loss) before finance income and cost and tax</b>	<b>98,595</b>	<b>105,269</b>
Finance income	3,536	17,381
Finance costs	(25,349)	(17,559)
<b>Profit/(Loss) before tax</b>	<b>76,782</b>	<b>105,091</b>
Income tax expense	(17,790)	(13,453)
<b>Net profit/(loss) for the year</b>	<b>58,992</b>	<b>91,638</b>
<b>Other comprehensive income/(loss)</b>		
Exchange differences on translation of foreign operations	12,681	(1,028)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>12,681</b>	<b>(1,028)</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>	<b>71,673</b>	<b>90,610</b>
<b>Profit/(loss) attributable to:</b>		
Equity holders of the parent	60,467	89,768
Non-controlling interests	(1,475)	1,870
<b>Net Profit/(Loss)</b>	<b>58,992</b>	<b>91,638</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the parent	73,661	88,796
Non-controlling interests	(1,988)	1,814
<b>Total Comprehensive Income/(Loss)</b>	<b>71,673</b>	<b>90,610</b>
<b>Earnings Per Share</b>		
Basic, profit attributable to equity holders of parent	15.93	23.67
Diluted, profit attributable to equity holders of parent	15.93	23.66

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

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

per Prashant Singhal  
Partner  
Membership No.: 93283

Place: New Delhi  
Date: May 5, 2011

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

Sunil Bharti Mittal  
Chairman & Managing Director

Akhil Gupta  
Director

Sanjay Kapoor  
CEO (India &  
South Asia)

Vijaya Sampath  
Group General Counsel &  
Company Secretary

Srikanth Balachander  
Chief Financial Officer

# Abridged Consolidated Statement of Financial Position

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

	As of March 31, 2011	As of March 31, 2010	As of April 01, 2009
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	651,426	482,629	436,482
Intangible assets	637,317	59,890	49,798
Investment in associates	-	57	14
Derivative financial assets	1,998	3,337	6,571
Other financial assets	7,930	7,368	4,674
Other non-financial assets	9,255	7,485	3,656
Deferred tax asset	45,061	12,489	3,987
	<u>1,352,987</u>	<u>573,255</u>	<u>505,182</u>
<b>Current assets</b>			
Inventories	2,139	484	962
Trade and other receivables	54,929	35,711	41,320
Derivative financial assets	2,682	144	4,563
Prepayments and other assets	30,504	20,835	27,172
Income tax recoverable	5,280	2,826	3,182
Short-term investments	6,224	52,264	36,638
Other financial assets	744	98	84
Cash and cash equivalents	9,575	25,323	14,432
	<u>112,077</u>	<u>137,685</u>	<u>128,353</u>
<b>Total assets</b>	<u><u>1,465,064</u></u>	<u><u>710,940</u></u>	<u><u>633,535</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	18,988	18,988	18,982
Treasury shares	(268)	(81)	(107)
Share premium	56,499	56,499	56,319
Retained earnings/(deficit)	357,446	301,342	215,978
Foreign currency translation reserve	14,018	824	1,796
Other components of equity	40,985	44,368	17,331
<b>Equity attributable to equity holders of parent</b>	<u>487,668</u>	<u>421,940</u>	<u>310,299</u>
Non-controlling interest	28,563	25,285	13,389
<b>Total equity</b>	<u>516,231</u>	<u>447,225</u>	<u>323,688</u>
<b>Non-current liabilities</b>			
Borrowings	532,338	81,474	53,400
Deferred revenue	8,700	11,222	11,478
Provisions	6,085	3,779	5,370
Derivative financial liabilities	151	289	227
Deferred tax liability	12,487	3,737	3,725
Other financial liabilities	13,856	10,860	7,211
Other non-financial liabilities	5,371	3,912	2,462
	<u>578,988</u>	<u>115,273</u>	<u>83,873</u>
<b>Current liabilities</b>			
Borrowings	84,370	20,424	79,621
Deferred revenue	30,599	19,027	22,923
Provisions	1,180	874	305
Other non-financial liabilities	10,053	5,399	5,672
Derivative financial liabilities	317	415	164
Income tax liabilities	3,642	-	-
Trade and other payables	239,684	102,303	117,289
	<u>369,845</u>	<u>148,442</u>	<u>225,974</u>
<b>Total liabilities</b>	<u>948,833</u>	<u>263,715</u>	<u>309,847</u>
<b>Total equity and liabilities</b>	<u><u>1,465,064</u></u>	<u><u>710,940</u></u>	<u><u>633,535</u></u>

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

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

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

per Prashant Singhal  
Partner  
Membership No.: 93283

Sunil Bharti Mittal  
Chairman & Managing Director

Akhil Gupta  
Director

Place: New Delhi  
Date: May 5, 2011

Sanjay Kapoor  
CEO (India &  
South Asia)

Vijaya Sampath  
Group General Counsel &  
Company Secretary

Srikanth Balachander  
Chief Financial Officer

## Abridged Consolidated Statement of changes in Equity

(Amounts in millions of Indian Rupees, except as stated otherwise)

	Attributable to equity holders of the Parent							Non-Controlling Interest	Total equity	
	Issued capital	Treasury Stock	Share Premium	Retained Earnings/(deficit)	Foreign currency translation reserve	Other components of equity	Total			
	Shares (in '000s)	Par value of ₹ 5 each								
<b>As of April 1, 2009</b>	3,796,480	18,982	(107)	56,319	215,978	1,796	17,331	310,299	13,389	323,688
Net income/(loss) for the year	-	-	-	-	89,768	-	-	89,768	1,870	91,638
Other comprehensive income/(loss)	-	-	-	-	-	(972)	-	(972)	(56)	(1,028)
Foreign currency translation reserve	-	-	-	-	-	(972)	-	(972)	-	-
<b>Total comprehensive income/(loss)</b>	-	-	-	-	89,768	(972)	-	88,796	1,814	90,610
Stock based compensation	-	-	-	-	-	-	1,494	1,494	-	1,494
Grants exercised	920	5	26	163	-	-	(168)	26	-	26
Due to conversion of debt	131	1	-	17	-	-	25,658	25,676	7,109	32,785
Subscription received in advance	-	-	-	-	-	-	165	165	-	165
Transferred from Debenture redemption reserve	-	-	-	-	38	-	(38)	-	-	-
Acquisition of Equity interest in subsidiary	-	-	-	-	-	-	(74)	(74)	-	(74)
Non-Controlling interest arising on a business combination (refer Note 3b)	-	-	-	-	-	-	-	-	2,973	2,973
Dividend	-	-	-	-	(4,442)	-	-	(4,442)	-	(4,442)
<b>As of April 1, 2010</b>	3,797,531	18,988	(81)	56,499	301,342	824	44,368	421,940	25,285	447,225
Net income/(loss) for the year	-	-	-	-	60,467	-	-	60,467	(1,475)	58,992
Other comprehensive income/(loss)	-	-	-	-	-	13,194	-	13,194	(513)	12,681
Foreign currency translation reserve	-	-	-	-	-	13,194	-	13,194	-	-
<b>Total comprehensive income/(loss)</b>	-	-	-	-	60,467	13,194	-	73,661	(1,988)	71,673
Stock based compensation	-	-	-	-	-	-	1,391	1,391	170	1,561
Transferred from Debenture redemption reserve	-	-	-	-	65	-	(65)	-	-	-
Purchase of treasury stock from market	-	-	(402)	-	-	-	-	(402)	-	(402)
Receipt on exercise of treasury stock	-	-	215	-	-	-	(119)	96	-	96
Transaction with Non-Controlling Interest	-	-	-	-	-	-	(4,590)	(4,590)	(1,514)	(6,104)
Non-Controlling interest arising on a business combination (refer Note 3a)	-	-	-	-	-	-	-	-	6,610	6,610
Dividend	-	-	-	-	(4,428)	-	-	(4,428)	-	(4,428)
<b>As of March 31, 2011</b>	3,797,531	18,988	(268)	56,499	357,446	14,018	40,985	487,668	28,563	516,231

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

For S. R. Batliboi & Associates For and on behalf of the Board of Directors of Bharti Airtel Limited

Firm Registration No.: 101049W  
Chartered Accountants

per Prashant Singhal  
Partner  
Membership No.: 93283

Place: New Delhi  
Date: May 5, 2011

Sunil Bharti Mittal  
Chairman & Managing Director

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Group General Counsel &  
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Sanjay Kapoor  
CEO (India &  
South Asia)

# Abridged Consolidated Statement of Cash Flow

(Amounts in millions of Indian Rupees, except as stated otherwise)

	Year ended March 31, 2011	Year ended March 31, 2010
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	76,782	105,091
<b>Adjustments for -</b>		
Depreciation and amortization	102,066	62,832
Finance income	(3,536)	(17,381)
Finance cost	25,349	17,559
Share of results of associates (post tax)	57	48
Amortisation of stock based compensation	1,561	1,494
Other non-cash items	480	429
<b>Operating cash flow before working capital changes</b>	<b>202,759</b>	<b>170,072</b>
Trade and other receivables and prepayments	(9,207)	11,666
Inventories	(211)	479
Trade and other payables	16,987	648
Provisions	(160)	680
Other financial and non-financial liabilities	4,282	4,816
Other financial and non-financial assets	(2,114)	(6,062)
<b>Cash generated from operations</b>	<b>212,336</b>	<b>182,299</b>
Interest received	565	2,038
Income tax (paid)/refund	(24,388)	(21,961)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>188,513</b>	<b>162,376</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(109,952)	(127,989)
Proceeds from sale of property, plant and equipment	783	6,202
Purchase of intangible assets	(167,925)	(2,527)
Short term investments (Net)	46,590	(13,198)
Investment in subsidiary, net of cash acquired	(373,991)	(1)
Investment in associates	-	(90)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(604,495)</b>	<b>(137,603)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of borrowings	578,290	56,331
Repayment of borrowings	(148,704)	(57,504)
Purchase of Treasury stock	(402)	-
Interest paid	(21,595)	(6,368)
Proceeds from exercise of stock options	96	191
Dividend paid (including tax)	(4,428)	(4,442)
Acquisition of non-controlling interest	(6,104)	(74)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>397,153</b>	<b>(11,866)</b>
<b>Net (decrease)/increase in cash and cash equivalents during the year</b>	<b>(18,829)</b>	<b>12,907</b>
Effect of exchange rate changes on cash and cash equivalents	(124)	(347)
Add: Balance as at the beginning of the year	24,961	12,401
<b>Balance as at the end of the year</b>	<b>6,008</b>	<b>24,961</b>

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

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

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

per Prashant Singhal  
Partner  
Membership No.: 93283

Sunil Bharti Mittal  
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Place: New Delhi  
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Sanjay Kapoor  
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Vijaya Sampath  
Group General Counsel &  
Company Secretary

Srikanth Balachander  
Chief Financial Officer

## Notes to Abridged Consolidated Financial Statements

(Amounts in millions of Indian Rupees, except share and per share data and as stated otherwise)

### 1. Corporate information

Bharti Airtel Limited ('Bharti Airtel' or "Company" or "Parent") is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Mumbai Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070.

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

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, passive infrastructure services and direct to home services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 13 (Note 42 of the notes to the annual consolidated financial statements).

The services provided by the Group are disclosed in Note 35 of the notes to the annual consolidated financial statements under segmental reporting.

The Group's principal shareholders as of March 31, 2011 include Bharti Telecom Limited and Singapore Telecommunication International Pte. Limited.

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

### 2. Basis of preparation

These abridged consolidated financial statements have been prepared, on the basis of the complete set of audited annual consolidated financial statements for the year ended March 31, 2011, prepared in accordance with International financial reporting standards (IFRS) as issued by the International Accounting Standard Board (IASB) for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the abridged consolidated financial statements are in accordance with the requirements of Clause 32 of the Listing requirements and to the extent applicable, Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956. These are the first abridged consolidated financial statements of the Group.

The annual consolidated financial statements for the year ended March 31, 2011, are the Group's first IFRS financial statements and are covered by IFRS 1, "First-time Adoption of International Financial Reporting Standards". The transition was carried out from accounting principles generally accepted in India (Indian GAAP), which is considered as the Previous GAAP, as defined in IFRS 1, with April 1, 2009 as the transition date. The reconciliation of effects of the transition from Indian GAAP on the equity as of April 1, 2009 and March 31, 2010 and on the net profit and cash flows for the year ended March 31, 2010, is disclosed in Note 44 of the notes to the annual consolidated financial statements.

The annual and abridged consolidated financial statements were authorised for issue by the Board of Directors on May 5, 2011.

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

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

### 3. Significant Accounting Policies

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

### 4. Business Combination/acquisition of Non-Controlling Interest

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

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

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

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

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

	As of June 8, 2010
<b>Purchase consideration</b>	
Cash	374,091
Deferred consideration at fair value	47,786
<b>Total (A)</b>	<b>421,877</b>
Acquisition related cost (included in Selling, general and administrative expenses in the group Consolidated statement of comprehensive income)	1,417

**Recognised amount of Identifiable assets acquired and liabilities assumed**

	As determined as of March 31, 2011	As determined on the date of acquisition
<b>Assets acquired</b>		
Property, plant and equipments	122,002	126,271
Intangibles assets	81,036	81,035
Current assets	63,685	63,312
<b>Liabilities assumed</b>		
Non-current liabilities	(76,182)	(75,543)
Current liabilities	(103,871)	(102,126)
Contingent liability (legal and tax cases)	(7,435)	(8,347)
Net identifiable assets (B)	79,236	84,602
Non-controlling interest in Zain (C)	6,610	7,418
<b>Goodwill (A - B + C)</b>	<b>349,253</b>	<b>344,693</b>

Considering the time involved in valuation and complexities involved in the acquired business, the above figures are provisional as the management is still in the process of finalising the fair valuation.

The changes in the above provisional figures are mainly on account of prior period errors as identified by the management subsequent to the date of acquisition.

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

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

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

As of June 8, 2010	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
Accounts Receivable	12,607	17,833	(5,226)

**Analysis of cash flows on acquisition**

Cash consideration paid (at exchange rate on the date of payment, including foreign exchange impact of ₹ 464)	384,300
Net cash acquired with the subsidiary	(13,159)
Investment in subsidiary, net of cash acquired (A) (included in cash flows from investing activities)	371,141
Transaction costs of the acquisition (included in cash flows from operating activities)	
- During the year ended March 31, 2010 (B)	511
- During the year ended March 31, 2011 (C)	906
Total cash outflow in respect of business combination (A + B + C)	372,558

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

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

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

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

	As on February 25, 2010
<b>Purchase consideration</b>	
Cash (A)	13,912
Acquisition related cost (included in Selling, general and administrative expenses in the group Consolidated statement of comprehensive income)	541
<b>Recognised amount of Identifiable assets acquired and liabilities assumed</b>	
<b>Assets Acquired</b>	
Property, plant and equipment	8,923
Intangibles	3,508
Cash and deposits	14,205
Advances and prepayments	233
Other receivables	185
<b>Liabilities assumed</b>	
Non-current liabilities	(8,376)
Current liabilities	(8,548)
Contingent liabilities	(219)
Net Identifiable assets (B)	9,911
<b>Non-controlling interest in warid (C)</b>	<b>2,973</b>
<b>Goodwill (A - B + C)</b>	<b>6,974</b>

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

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

From the date of acquisition till March 31, 2010, Airtel Bangladesh Limited has contributed revenue of ₹ 407 and loss before tax of ₹ 231 to the consolidated revenue and net profit before tax of the Group, respectively.

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

As of February 25, 2010	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
Accounts Receivable	162	216	54
Other Receivable	23	23	-

#### Analysis of cash flows on acquisition

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

#### c) Acquisition of 100% interest in Telecom Seychelles Limited, Seychelles

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

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

The following table summarizes the preliminary fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised and the fair value of the interest in Telecom Seychelles Limited as at August 27, 2010.

	As on August 27, 2010
<b>Purchase consideration</b>	
Cash (A)	2,903

#### Recognised amount of Identifiable assets acquired and liabilities assumed

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

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

From the date of acquisition, Telecom Seychelles Limited has contributed revenue of ₹ 416 and profit before tax of ₹ 176 to the consolidated revenue and net profit before tax of the Group, respectively.

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

As of August 27, 2010	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
Accounts Receivable	212	212	-

#### Analysis of cash flows on acquisition

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

d) Total consolidated revenue of the Group and its joint ventures and net profit before tax of the Group, its joint ventures and associates would have been ₹ 623,477 and ₹ 74,084 respectively, had all the acquisitions been effective for the full year 2010-11.

#### e) Acquisition of additional interest in Celtel Zambia Plc

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

f) **Acquisition of additional interest in Airtel Networks Kenya Limited**

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

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

5. **Operating expenses**

	Year ended March 31, 2011	Year ended March 31, 2010
Access charges	74,718	44,806
Licence fees, revenue share and spectrum charges	52,600	40,875
Network operations cost	127,163	89,316
Employee costs	32,784	19,028
Selling, general and administrative expenses	107,743	56,814
	<u>395,008</u>	<u>250,839</u>

Selling, general and administrative expenses include following:

	Year ended March 31, 2011	Year ended March 31, 2010
Trading inventory consumption	8,169	3,395
Diminution in value of inventory	342	219
Provision for doubtful debts	2,613	3,072

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

6. **Movement in allowance of doubtful debts**

	As of March 31, 2011	As of March 31, 2010
Balance, beginning of the year	12,460	9,946
Additions -		
Provision for the year	2,613	3,072
Currency translation adjustment	1,442	172
Application -		
Write off of bad debts (net off recovery)	(2,977)	(730)
Balance, end of the year	<u>13,538</u>	<u>12,460</u>

(Note 21 of the notes to the annual consolidated financial statements)

7. **Depreciation and amortisation**

	Year ended March 31, 2011	Year ended March 31, 2010
Depreciation	86,980	60,816
Amortisation	15,086	2,016
	<u>102,066</u>	<u>62,832</u>

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

8. **Finance income and costs**

	Year ended March 31, 2011	Year ended March 31, 2010
<b>Finance income</b>		
Interest Income on securities held for trading	10	14
Interest Income on deposits	475	591
Interest Income on loans to joint ventures	23	833
Interest Income on others	398	378
Net gain on securities held for trading	1,196	2,442
Net exchange gain	-	13,123
Net gain on derivative financial instruments	1,434	-
	<u>3,536</u>	<u>17,381</u>
<b>Finance costs</b>		
Interest on borrowings	20,378	7,626
Unwinding of discount on provisions	176	219
Net exchange loss	3,112	-
Net loss on derivative financial instruments	-	7,968
Other finance charges	1,683	1,746
	<u>25,349</u>	<u>17,559</u>

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

9. **Income taxes**

The components of income tax expense are:

	Year ended March 31, 2011	Year ended March 31, 2010
Current tax	23,961	22,319
Deferred tax	(6,171)	(8,866)
Total income tax expense	<u>17,790</u>	<u>13,453</u>

(Note 12 of the notes to the annual consolidated financial statements)

10. **Short term investments**

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Held for trading securities - quoted	6,125	47,511	22,023
Loans and receivables - fixed deposits with banks	99	4,753	14,615
	<u>6,224</u>	<u>52,264</u>	<u>36,638</u>

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

The Group and its joint ventures have taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under Note 26 of the notes to the annual consolidated financial statements.

(Note 23 of the notes to the annual consolidated financial statements)

## 11. Important ratios

Ratios	Year ended March 31, 2011	Year ended March 31, 2010
Revenue/total assets	0.4	0.6
Operating Profit/Average Capital employed* (%)	12.7	25.0
Return on average net worth (%)	13.3	24.5
Net income/revenue (%)	10.2	21.5

\*Capital employed consist of equity attributable to equity holders of the parent and total borrowings less cash and cash equivalents, short-term investments, restricted cash current and restricted cash non-current.

## 12. Commitments and contingencies

### (i) Commitments

#### a) Capital commitments

	March 31, 2011	March 31, 2010	April 1, 2009
Contracts placed for future capital expenditure not provided for in the financial statements	129,703	47,835	75,185

The above includes ₹ 8,705 as of March 31, 2011 (₹ 9,025 and ₹ 8,128 as of March 31, 2010 and March 31, 2009 respectively), pertaining to IT outsourcing agreement. As per the agreement, the Company has commitment to pay these charges towards capex and related service charges.

The above also includes ₹ 3,833 as of March 31, 2011, (₹ 2,604 and ₹ 10,161 as of March 31, 2010 and March 31, 2009 respectively), pertaining to Joint Ventures.

#### b) Guarantees

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Financial bank guarantee*	30,466	32,458	22,483

\*The Company has issued corporate guarantee for ₹ 4,658, ₹ 8,498 and ₹ 1,577 as of March 31, 2011, March 31, 2010 and March 31, 2009 respectively to banks, financial institutions and third parties for issuing bank guarantee on behalf of Group companies.

### (ii) Contingencies

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Taxes, Duties and Other demands (under adjudication/ appeal/ dispute)			
- Sales Tax and Service Tax	6,491	3,275	1,090
- Income Tax	9,182	5,757	2,006
- Access Charges/Port Charges	3,941	1,283	2,210
- Customs Duty	2,642	2,400	2,289
- Entry Tax	3,872	3,032	1,556
- Stamp Duty	579	575	595
- Municipal Taxes	493	2	3
- DoT demands	1,073	712	581
- Other miscellaneous demands	1,869	109	66
- Claims under legal cases including arbitration matters	591	499	583
<b>Total</b>	<b>30,733</b>	<b>17,644</b>	<b>10,979</b>

The above also includes ₹ 108 as of March 31, 2011, (₹ 86 and ₹ Nil as of March 31, 2010 and March 31, 2009 respectively), pertaining to Joint Ventures.

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based. Currently, the Group and its joint ventures have operations in India, South Asia region and Africa region.

#### a) Sales and Service Tax

The claims for sales tax includes, levy of General Sales Tax in the State of J&K on the telecom services provided by the company, which has been disputed by the company and towards which the company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. The company, believes, that there would be no liability that would arise from this matter.

#### b) Income Tax demand under Appeal

Income Tax demands includes appeals filed by the Group before the various appellate authorities in respective jurisdictions against non deduction of tax at source with respect to dealer's/distributor's payments.

#### c) Airtel Networks Limited - Ownership

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

Under the transaction to acquire a 65.7% controlling stake in Airtel Networks Limited in 2006, its shareholders were

obliged under the pre-emption right provision contained in the shareholders agreement to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders agreement and the shares were acquired by Zain Africa, which was subsequently acquired by an international subsidiary of the Company. EWL has filed a number of suits before courts in Nigeria and commenced arbitral proceedings in Nigeria contesting the acquisition. The Company's indirect subsidiary that is the current owner of 65.7% of the equity in Airtel Networks Limited has been defending these cases vigorously and Management believes that it has meritorious defenses.

The cases relating to the acquisition of Airtel Networks Ltd. in 2006 are ongoing and sub-judice from that date. Given the low probability of any material adverse effect to the Company's consolidated financial position, the difficulties in estimating probable outcomes in a reliable manner and the indemnities in the shareholder agreement with MTC, the Company determined that it was appropriate not to provide for this matter in the financial statements. Further also, the estimate of the financial effect, if any, cannot be made.

In addition, Airtel Networks Limited, is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Ltd. acquisition). Our lawyers are vigorously defending the case, which is yet to recommence at the court of first instance. The Company is interested in the case as a result of its 65.7% controlling interest in Airtel Networks Limited.

(Note 37 of the notes to the annual consolidated financial statements)

### 13. Companies in the Group, joint ventures and associates

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

Sr. No.	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
1	Bharti Airtel Services Limited	India	Administrative support to Bharti Airtel and trading activities	100	100	100
2	Netwok i2i Limited	Mauritius	Submarine Cable System	100	100	100
3	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100	100
4	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100	100
5	Bharti Airtel (Canada) Limited	Canada	Telecommunication services	100	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100	100
7	Bharti Airtel (Singapore) Pvt. Limited (BASPL)*	Singapore	Telecommunication services	NA*	100	100
8	Bharti Airtel Holdings (Singapore) Pte. Ltd.	Singapore	Investment Company	100	100	100
9	Bharti Airtel Lanka (Pvt.) Limited	Sri Lanka	Telecommunication services	100	100	100
10	Bharti Infratel Lanka (Pvt.) Limited	Sri Lanka	Passive infrastructure services	100	100	100
11	Bharti Hexacom Limited	India	Telecommunication services	70	70	70
12	Bharti Infratel Limited ("BIL")	India	Passive infrastructure services	86.09	86.09	92.51
13	Bharti Infratel Ventures Limited ("BIVL")	India	Passive infrastructure services	86.09	86.09	92.51
14	Bharti Telemedia Limited	India	Direct To Home services	95	95	40
15	Airtel Bangladesh Limited (Formerly Warid Telecom International Limited )	Bangladesh	Telecommunication services	70	70	-
16	Bharti International (Singapore) Pte. Ltd.*	Singapore	Telecommunication services	100	100	-
17	Bharti Airtel International (Netherlands) B.V.	Netherlands	Investment Company	100	100	-
18	Airtel M Commerce Services Limited	India	Telecommunication services	100	-	-
19	Bharti Airtel International (Mauritius) Ltd.	Mauritius	Investment Company	100	-	-
20	Bharti Airtel Japan Kabushiki Kisha	Japan	Telecommunication services	100	-	-
21	Bharti Airtel France SAS	France	Telecommunication services	100	-	-
22	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	-	-
23	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	-	-
24	Airtel Burkina Faso S.A. (Formerly known as Celtel Burkina Faso S.A.)	Burkina Faso	Telecommunication services	100	-	-
25	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	-	-
26	Celtel chad S.A.	Chad	Telecommunication services	100	-	-
27	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	-	-

Sr. No.	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
28	CelTel Gabon S.A.	Gabon	Telecommunication services	90	-	-
29	Bharti Airtel Cameroon Holdings B.V.	Netherlands	Investment Company	100	-	-
30	CelTel Cameroon S.A.	Comeroon	Telecommunication services	100	-	-
31	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	-	-
32	Airtel Congo S.A. (Formerly known as CelTel Congo S.A.)	Congo Brazzavile	Telecommunication services	90	-	-
33	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	-	-
34	Partnership Investments Sprl	Congo DRC	Investment Company	100	-	-
35	CelTel Congo RDC S.A.R.L.	Congo DRC	Telecommunication services	98.5	-	-
36	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	-	-
37	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	-	-
38	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	-	-
39	Airtel Networks Kenya Limited (Formerly known as CelTel Kenya Ltd.)	Kenya	Telecommunication services	100	-	-
40	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	-	-
41	Airtel Malawi Limited (Formerly known as CelTel Malawi Ltd.)	Malawi	Telecommunication services	100	-	-
42	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	-	-
43	CelTel Niger S.A.	Niger	Telecommunication services	90	-	-
44	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	-	-
45	Airtel Sierra Leone Limited	Sierra Leone	Telecommunication services	100	-	-
46	CelTel Zambia Plc	Zambia	Telecommunication services	96.35	-	-
47	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	-	-
48	Airtel Uganda Limited (Formerly known as CelTel Uganda Ltd.)	Uganda	Telecommunication services	100	-	-
49	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	-	-
50	Airtel Tanzania Limited (Formerly known as CelTel Tanzania Ltd.)	Tanzania	Telecommunication services	60	-	-
51	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	-	-
52	Channel Sea Management Company (Mauritius) Ltd.	Mauritius	Investment Company	100	-	-
53	Zain IP (Mauritius) Ltd.	Mauritius	Investment Company	100	-	-
54	Montana International S.A.	Mauritius	Telecommunication services	100	-	-
55	Airtel Madagascar S.A. (Formerly CelTel Madagascar S.A.)	Madagascar	Telecommunication services	100	-	-
56	Bharti Airtel Nigeria Holdings B.V.	Netherlands	Investment Company	100	-	-
57	MSI-CelTel Nigeria Limited	Nigeria	Telecommunication services	100	-	-
58	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	-	-
59	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	-	-
60	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	-	-
61	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	Ghana	Telecommunication services	75	-	-
62	Bharti Airtel Acquisition Holdings B.V.	Netherlands	Investment Company	100	-	-
63	Bharti Airtel Middle East B.V. #	Netherlands	Investment Company	100	-	-
64	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	-	-
65	Bharti Airtel IP Netherlands B.V. #	Netherlands	Investment Company	100	-	-
66	Bharti Airtel Tanzania Holdings B.V. #	Netherlands	Investment Company	100	-	-
67	Airtel Networks Limited (Formerly known as CelTel Nigeria Ltd.)	Nigeria	Telecommunication services	65.7	-	-
68	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	-	-
69	Bharti Airtel Morocco Holdings B.V. #	Netherlands	Investment Company	100	-	-

Sr. No.	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
70	Zap Trust Company Ltd. (Malawi)	Malawi	Mobile commerce services	100	-	-
71	Zap Trust Company Ltd. (Kenya)	Malawi	Mobile commerce services	100	-	-
72	Zap Trust Company Ltd. (Ghana)	Ghana	Mobile commerce services	100	-	-
73	CelTel (Mauritius) Holdings Ltd.	Mauritius	Investment Company	100	-	-
74	ZMP Limited (Zambia)	Zambia	Mobile commerce services	100	-	-
75	Zap Trust Company (SL) Ltd. (Sierra Leone)	Sierra Leone	Mobile commerce services	100	-	-
76	Zain Mobile Commerce Tchad SARL	Chad	Mobile commerce services	100	-	-
77	Zap Mobile Commerce B.V.	Netherlands	Investment Company	100	-	-
78	Mobile Commerce Gabon S.A.	Gabon	Mobile commerce services	100	-	-
79	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	-	-
80	Zap Niger S.A. (Niger)	Niger	Mobile commerce services	100	-	-
81	Societe Malgoche de Telephone Cellulaire S.A.	Mauritius	Investment Company	100	-	-
82	Zap Holdings B.V.	Netherlands	Investment Company	100	-	-
83	Zap Trust Company Nigeria Ltd.	Nigeria	Mobile commerce services	100	-	-
84	Indian Ocean Telecom Limited	Jersey	Telecommunication services	100	-	-
85	Telecom Seychelles Limited	Seychelles	Telecommunication services	100	-	-
86	Zap Trust Company Tanzania Ltd.	Tanzania	Mobile commerce services	100	-	-
87	Zap Trust Company Uganda Ltd.	Uganda	Telecommunication services	100	-	-
88	Zain Plc #	Netherlands	Investment Company	100	-	-
89	Uganda Towers Limited	Uganda	Infrastructure sharing services	100	-	-
90	Airtel DTH Services Ghana Limited	Ghana	Mobile commerce services	100	-	-
91	Airtel DTH Services Malawi Limited	Malawi	Mobile commerce services	100	-	-
92	Airtel DTH Services Uganda Limited	Uganda	Mobile commerce services	100	-	-
93	Africa Towers N.V.	Netherland	Investment Company	100	-	-
94	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	100	-	-
95	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	-	-
96	Airtel DTH Services (K) Limited	Kenya	Direct to Home services	100	-	-
97	Airtel DTH Services (Sierra Leone) Limited	Sierra Leone	Direct to Home services	100	-	-
98	Airtel DTH Services Burkina Faso S.A.	Burkina Faso	Direct to Home services	100	-	-
99	Airtel DTH Services Congo S.A.	Congo	Direct to Home services	100	-	-
100	Airtel DTH Services Madagascar S.A.	Madagascar	Direct to Home services	100	-	-
101	Airtel DTH Services Niger S.A.	Niger	Direct to Home services	100	-	-
102	Airtel DTH Services Nigeria Limited	Nigeria	Direct to Home services	100	-	-
103	Airtel DTH Services Tchad S.A.	Chad	Direct to Home services	100	-	-
104	Airtel DTH Services Tanzania Limited	Tanzania	Direct to Home services	100	-	-
105	Airtel DTH Services Zambia Limited	Zambia	Direct to Home services	100	-	-
106	Airtel Towers S.L. Limited	Sierra Leone	Infrastructure sharing services	100	-	-
107	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	100	-	-
108	Congo Towers S.A.	Congo	Infrastructure sharing services	100	-	-
109	Kenya Towers Limited	Kenya	Infrastructure sharing services	100	-	-
110	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	-	-
111	Mobile Commerce Congo S.A.	Congo	Mobile commerce services	100	-	-
112	Niger Towers S.A.	Niger	Infrastructure sharing services	100	-	-
113	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	100	-	-
114	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	-	-
115	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	100	-	-
116	Zain Developers Form	Zambia	Investment Company	100	-	-
117	Zambia Towers Limited	Zambia	Infrastructure sharing services	100	-	-
118	Airtel Money RDC S.P.R.L.	Congo	Mobile commerce services	100	-	-
119	Zap Trust Burkina Faso S.A.	Burkina Faso	Telecommunication services	100	-	-

Sr. No.	Name of associates	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
1	Bharti Teleports Limited	India	Uplinking channels for broadcasters	49	49	49
2	Alcatel Lucent Network Management Services India Ltd.	India	Telecommunication services	26	26	-
3	Tanzania Telecommunications Company Limited	Netherlands	Telecommunication services	35	-	-

Sr. No.	Name of joint ventures	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
1	Indus Towers Limited **	India	Passive infrastructure services	36.16**	36.16	38.85
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10	10
3	Forum I Aviation Pvt. Ltd.	India	Aircraft chartering services	14.28	14.28	14.28

\* Effective July 6, 2010, Bharti Airtel (Singapore) Private Ltd. (transferor company) has amalgamated with Bharti International (Singapore) Pte. Ltd. (transferee company)

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

# Dissolved during the year ended March 31, 2011.

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

14. The following comparative figures have been reclassified where appropriate to conform to the current period's presentation in these financial statements:

The Company has re-classified the impact of foreign currency translation on cash and cash equivalents in consolidated statement of cash flows, as these do not represent 'cash flows' for the period.

These changes have been made to comply with International Financial Reporting Standards and to improve the quality of information presented. Such reclassifications do not affect previously reported profit or shareholders' equity.

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

Statement pursuant to Section 212 (8) of the Companies Act,1956 relating to subsidiary companies for the year ended March 31, 2011

(₹ in Mn)

Sr. No.	Name of the Subsidiary Company	Country of Registration	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiary	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
1	Bharti Hexacom Limited	India	2,500	23,954	35,196	8,742	2,410	29,434	6,630	1,555	5,075	-
2	Network i2i Limited	Mauritius	402	2,524	16,561	13,635	-	2,100	1,437	24	1,412	-
3	Bharti Airtel Services Limited	India	1	(446)	1,875	2,320	66	3,770	(362)	87	(449)	-
4	Bharti Infratel limited ^	India	5,808	132,533	173,588	35,247	251	28,409	4,895	1,413	3,482	-
5	Bharti Telemedia Limited	India	102	(12,194)	22,672	34,764	155	7,760	(5,046)	-	(5,046)	-
6	Airtel Bangladesh Limited@	Bangladesh	28,279	(21,602)	18,614	11,936	-	4,722	(3,665)	(39)	(3,626)	-
7	Bharti Airtel (UK) Limited@	United Kingdom	65	200	451	186	-	232	76	27	49	-
8	Bharti Airtel (Canada) Limited	Canada	3	(56)	9	61	-	9	(16)	-	(16)	-
9	Bharti Airtel Lanka (Pvt) Limited	Srilanka	2,126	(7,135)	7,124	12,134	-	1,876	(2,482)	6	(2,488)	-
10	Bharti Airtel Holdings (Singapore) Pte Limited	Singapore	16,711	(459)	16,303	51	-	-	(195)	10	(205)	-
11	Bharti Airtel (USA) Limited	United States of America	0	(221)	756	978	-	706	10	1	9	-
12	Bharti Infratel Ventures Limited	India	1	(2)	0	1	-	-	(0)	-	(0)	-
13	Bharti Airtel (Hongkong) Limited	Hongkong	28	(33)	238	243	-	77	17	-	17	-
14	Bharti International (Singapore) Pte Limited	Singapore	5,108	(3,199)	108,330	106,421	-	1,780	(2,849)	(6)	(2,843)	-
15	Bharti Infratel Lanka (Private) Limited#	Srilanka	-	-	-	-	-	-	-	-	-	-
16	Bharti Airtel Japan Kabushiki Kisha	Japan	0	18	61	43	-	52	33	15	18	-
17	Bharti Airtel France SAS	France	1	50	122	71	-	99	75	25	50	-
18	Airtel M Commerce Services Limited	India	40	(22)	44	25	-	1	(22)	-	(22)	-
19	Bharti Airtel International (Mauritius) Limited	Mauritius	4,631	(4)	4,628	1	4,623	-	(4)	-	(4)	-
20	Bharti Airtel International (Netherlands) B.V	Netherlands	2	92,514	430,644	338,128	-	-	(3,168)	-	(3,168)	-
21	Airtel Burkina Faso S.A (Formerly known as Cotel Burkina Faso S.A.)	Burkina Faso	242	3,900	9,528	5,386	-	4,986	600	277	323	-
22	Cotel Chad S.A.	Chad	367	(694)	9,929	10,255	-	4,462	(1,084)	(423)	(661)	-
23	Airtel Congo S.A. (Formerly known as Cotel Congo S.A.)	Congo B	503	4,270	10,953	6,181	-	6,499	(842)	(61)	(781)	-
24	Cotel Congo RDC S.a.r.l.	DRC	15	(1,794)	19,654	21,433	-	10,588	(3,944)	3,074	(7,018)	-
25	Cotel Gabon S.A.	Gabon	580	4,391	10,351	5,380	-	10,056	(1,891)	1,598	(3,489)	-
26	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	Ghana	4,709	(11,451)	16,672	23,414	-	4,662	(4,349)	81	(4,430)	-
27	Airtel Networks Kenya Limited (Formerly known as Cotel Kenya Ltd.)	Kenya	13,555	(14,860)	11,254	12,560	-	5,341	(3,345)	1,612	(4,957)	-
28	Airtel Madagascar S.A. (Formerly known as Cotel Madagascar S.A)	Madagascar	18	(998)	5,185	6,165	-	3,275	475	173	302	-
29	Airtel Malawi Limited (Formerly known as Cotel Malawi Ltd.)	Malawi	0	3,677	10,247	6,569	-	5,659	630	20	610	-
30	Cotel Niger S.A.	Niger	145	3,553	8,916	5,218	-	6,475	579	438	142	-
31	Airtel Networks Limited (Formerly known as Cotel Nigeria Ltd.)	Nigeria	60	17,153	109,626	92,414	-	43,821	(14,028)	(4,079)	(9,949)	-
32	Airtel Sierra Leone Limited	Sierra Leone	82	(1,628)	2,668	4,214	-	1,491	(781)	416	(1,197)	-
33	Airtel Tanzania Limited (Formerly known as Cotel Tanzania Ltd.)	Tanzania	1,218	138	19,566	18,209	-	8,094	(5,085)	(1,388)	(3,698)	-
34	Airtel Uganda Limited (Formerly known as Cotel Uganda Ltd.)	Uganda	234	(3,024)	7,147	9,937	-	3,001	(1,820)	117	(1,937)	-
35	Cotel Zambia Plc	Zambia	10	9,735	17,191	7,447	-	12,970	2,619	1,288	1,331	-
36	Telecom Seychelles Limited	Seychelles	130	51	594	413	-	412	177	37	140	-
37	Bharti Airtel Africa B.V.	Netherlands	25	44,496	186,948	142,427	-	-	1,256	-	1,256	-
38	Bharti Airtel Tanzania B.V.	Netherlands	2	(1,554)	5,738	7,290	-	-	(71)	-	(71)	-
39	Bharti Airtel Malawi Holdings B.V.	Netherlands	1	(182)	2,514	2,694	-	-	23	-	23	-
40	Bharti Airtel Nigeria Holdings B.V.	Netherlands	1	2	1	(1)	-	-	(0)	-	(0)	-
41	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	1	(80)	76,545	76,624	-	-	(0)	-	(0)	-
42	Bharti Airtel Nigeria B.V.	Netherlands	1	(11,998)	64,552	76,549	-	-	(764)	-	(764)	-
43	Bharti Airtel Cameroon Holdings B.V.	Netherlands	1	(1)	1	1	-	-	(1)	-	(1)	-
44	Bharti Airtel Kenya Holdings B.V.	Netherlands	1	(468)	29,778	30,245	-	-	(461)	-	(461)	-
45	Bharti Airtel Kenya B.V.	Netherlands	1	(773)	29,005	29,777	-	-	(187)	-	(187)	-

(₹ in Mn)

Sr. No.	Name of the Subsidiary Company	Country of Registration	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiary	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
46	Bharti Airtel Uganda Holdings B.V.	Netherlands	1	(1,702)	10,697	12,398	-	-	(237)	-	(237)	-
47	Bharti Airtel Zambia Holdings B.V.	Netherlands	1	9,075	10,333	1,257	-	-	(15)	-	(15)	-
48	Bharti Airtel Congo Holdings B.V.	Netherlands	1	2,210	2,032	(179)	-	-	(15)	-	(15)	-
49	Bharti Airtel Gabon Holdings B.V.	Netherlands	1	236	1,353	1,116	-	-	(24)	-	(24)	-
50	Bharti Airtel Niger Holdings B.V.	Netherlands	1	2,332	1,076	(1,257)	-	-	(127)	-	(127)	-
51	Bharti Airtel Mali Holdings B.V.	Netherlands	1	159	444	284	-	-	-	-	-	-
52	Bharti Airtel Services B.V.	Netherlands	1	(2,120)	69	2,188	-	-	(659)	-	(659)	-
53	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	1	(162)	2,604	2,765	-	-	(54)	-	(54)	-
54	Bharti Airtel RDC Holdings B.V.	Netherlands	1	(270)	9,697	9,966	-	-	(193)	-	(193)	-
55	Bharti Airtel Chad Holdings B.V.	Netherlands	1	(45)	5,060	5,104	-	-	52	-	52	-
56	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	1	(117)	2,284	2,400	-	-	(7)	-	(7)	-
57	Bharti Airtel Acquisition Holdings B.V.	Netherlands	1	524	525	-	-	-	4	-	4	-
58	Bharti Airtel Madagascar Holdings B.V.	Netherlands	1	11	7,734	7,722	-	-	(79)	-	(79)	-
59	Bharti Airtel Ghana Holdings B.V.	Netherlands	1	(361)	19,682	20,042	-	-	(361)	-	(361)	-
60	CelTel (Mauritius) Holdings Limited	Mauritius	0	712	3,943	3,231	-	-	9	8	1	-
61	Indian Ocean Telecom Limited	Jersey	762	(106)	658	1	-	-	(0)	-	(0)	-
62	Bharti Airtel Singapore Private Ltd.*	Singapore	-	-	-	-	-	-	-	-	-	-
63	Bharti Airtel Middle East B.V.**	Netherlands	-	-	-	-	-	-	-	-	-	-
64	Bharti Airtel IP Netherlands BV**	Netherlands	-	-	-	-	-	-	-	-	-	-
65	Bharti Airtel Tanzania Holdings BV**	Netherlands	-	-	-	-	-	-	-	-	-	-
66	Bharti Airtel Morocco Holdings BV**	Netherlands	-	-	-	-	-	-	-	-	-	-
67	Zain Plc **	Netherlands	-	-	-	-	-	-	-	-	-	-

@ Including share application money

\* Effective July 6, 2010 Bharti Airtel Singapore Private Ltd. (transferor company) has been amalgamated with Bharti International (Singapore) Pte Ltd.(transferee company)

\*\* Dissolved during the year. Bharti Airtel IP Netherlands BV was incorporated and dissolved during the year

# Non operational

^ Reserves includes ESOP outstanding of ₹ 1,072Mn

- Notes 1. For those entities that have year ending other than March 31, all material transactions taking place between 31st Dec 2010 and 31st March 2011 have been adjusted while arriving at the above amounts.
2. Where ever the absolute number being less than a million, has been disclosed as "0".
3. The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.03.2011
4. The following subsidiaries :- (a) CelTel Cameroon S.A. (b) Partnership Investments Sprl (c) Channel Sea Management Company (Mauritius) Ltd. (d) Zain IP (Mauritius) Ltd. (e) Montana International S.A (f) MSI-CelTel Nigeria Limited (g) Zap Trust Company Ltd. (Malawi) (h) Zap Trust Company Ltd. (Kenya) (i) Zap Trust Company Ltd. (Ghana) (j) ZMP Limited (Zambia) (k) Zap Trust Company (SL) Ltd. (Sierra Leone) (l) Zain Mobile Commerce Tchad SARL (m) Zap Mobile Commerce B.V. (n) Mobile Commerce Gabon S.A. (o) Malawi Towers Limited (p) Zap Niger S.A. (Niger) (q) Societe Malgoche de Telephone Cellulaire S.A. (r) Zap Holdings B.V. (s) Zap Trust Company Nigeria Ltd. (t) Zap Trust Company Tanzania Ltd (u) Zap Trust Company Uganda Ltd. (v) Uganda Towers Limited (w) Airtel DTH Services Ghana Limited (x) Airtel DTH Services Malawi Limited (y) Airtel DTH Services Uganda Limited (z) Africa Towers N.V. (aa) Airtel Towers (Ghana) Limited (ab) Bharti Airtel DTH Holdings B.V. (ac) Airtel DTH Services (K) Limited (ad) Airtel DTH Services (Sierra Leone) Limited (ae) Airtel DTH Services Burkina Faso S.A (af) Airtel DTH Services Congo S.A. (ag) Airtel DTH Services Madagascar S.A. (ah) Airtel DTH Services Niger S.A. (ai) Airtel DTH Services Nigeria Limited (aj) Airtel DTH Services Tchad S.A. (ak) Airtel DTH Services Tanzania Limited (al) Airtel DTH Services Zambia Limited (am) Airtel Towers S.L. Limited (an) Burkina Faso Towers S.A. (ao) Congo Towers S.A. (ap) Kenya Towers Limited (aq) Madagascar Towers S.A. (ar) Mobile Commerce Congo S.A. (as) Niger Towers S.A. (at) Tanzania Towers Limited (au) Tchad Towers S.A. (av) Towers Support Nigeria Limited (aw) Zain Developers Form (ax) Zambia Towers Limited (ay) Airtel Money RDC S.p.r.l. (az) Zap Trust Burkina Faso S.A. have been newly incorporated during the year and have not been included in the above statement as the first financial statements of these subsidiaries will be prepared for the period ending on March 31, 2012
5. The financial information for subsidiaries mentioned at sr. no. 20 to 61 above has been prepared based on IFRS as issued by IASB including one time adjustment on account of accounting policy changes.
6. The financial information for subsidiaries mentioned at sr.no. 1 to 19 above has been prepared based on the Generally Accepted Accounting Principles applied in the preparation of their respective financial statements.

## Notice of annual general meeting

Notice is hereby given that the sixteenth annual general meeting of the shareholders of Bharti Airtel Limited will be held on Thursday, September 01, 2011 at 03.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 to transact the following businesses:

### As ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at March 31, 2011, the profit and loss account and the cash flow statement for the year ended on that date and the reports of the Board of directors and auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Ajay Lal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Akhil Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. Narayanan Kumar, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to authorise the Board to fix its remuneration.

### As SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as ORDINARY RESOLUTIONS:

7. **Appointment of Lord Evan Mervyn Davies as a Director liable to retire by rotation**  
“Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Lord Evan Mervyn Davies be and is hereby appointed as a director of the Company, liable to retire by rotation.”
8. **Appointment of Mr. Hui Weng Cheong as a Director liable to retire by rotation**  
“Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Hui Weng Cheong be and is hereby appointed as a director of the Company, liable to retire by rotation.”
9. **Appointment of Ms. Tan Yong Choo as a Director liable to retire by rotation**  
“Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Ms. Tan Yong Choo be and is hereby appointed as a director of the Company, liable to retire by rotation.”

10. **Appointment of Mr. Tsun-yan Hsieh as a Director liable to retire by rotation**

“Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Tsun-yan Hsieh be and is hereby appointed as a director of the Company, liable to retire by rotation.”

11. **Appointment of H.E. Dr. Salim Ahmed Salim as a Director liable to retire by rotation**

“Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, H.E. Dr. Salim Ahmed Salim be and is hereby appointed as a director of the Company, liable to retire by rotation.”

12. **Re-appointment of Mr. Sunil Bharti Mittal as Managing Director**

“Resolved that pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the shareholders be and is hereby accorded to the re-appointment of Mr. Sunil Bharti Mittal as Managing Director of the Company for a further period of five years with effect from October 1, 2011, on the remuneration as set out in the explanatory statement to Item No.12.

Resolved further that the Board be and is hereby authorized to vary, alter and modify the terms and condition of re-appointment including relating to remuneration/remuneration structure of Mr. Sunil Bharti Mittal as Managing Director within the limits prescribed in the explanatory statement to Item No. 12.

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

Registered Office:  
Bharti Crescent,  
1, Nelson Mandela Road,  
Vasant Kunj, Phase – II,  
New Delhi - 110 070, India.  
Date: May 5, 2011

By order of the Board  
For Bharti Airtel Limited

Vijaya Sampath  
Group General Counsel  
& Company Secretary

NOTES:

1. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.

2. Notice of the annual general meeting will be sent to those shareholders/beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on Friday, July 22, 2011.

As a part of its green initiatives in corporate governance, the Ministry of Corporate Affairs vide its Circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed the companies to send official communication and documents to its shareholders through e-mail. Accordingly, in cases where the shareholders have registered their e-mail id with their depository participant/Company's registrar and share transfer agent, the Company has decided to henceforth send all documents/communications including notice of general meetings, annual reports, dividend intimations, etc. through e-mail. For other cases, the Company will continue to send the printed annual reports as usual.

Shareholders are requested to update their preferred e-mail ids with the Company/depository participants which will be used for the purpose of sending the official documents through e-mail.

Shareholder whose e-mail id is not registered with the Company will be sent a copy of this meeting's notice along with the abridged annual report at their registered address. Shareholders whose mail ids are registered with the Company and who wish to receive physical copies of the abridged/full version of the annual report may also send their request to the Company at its registered office address or to the Company's Registrar and Share Transfer Agent (RTA), Karvy Computershare Private Limited, at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh.

3. Abridged and full version of the annual reports will also be available on the website of the Company [www.airtel.com](http://www.airtel.com) in the Investor Relations section.

4. The Register of members and Share Transfer books of the Company will remain closed from Saturday, August 20, 2011 to Thursday, September 1, 2011 (both days inclusive), in terms of the provisions of the Companies Act, 1956 and the listing agreement with the stock exchanges where the shares of the Company are listed for the purpose of annual general meeting

and determining the names of the shareholders eligible for dividend on equity shares, if declared at the meeting.

5. The dividend, if declared at the meeting, will be paid on or before the 30th day from the date of declaration of dividend i.e. September 30, 2011 to:

- For shares held in physical form – those shareholders whose names will appear in the Register of Members on the close of the day on August 19, 2011;
- For shares held in dematerialized form – those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as beneficial owner on August 19, 2011.

6. Shareholders, who hold shares in the physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their requisite request in the enclosed form to the Company's RTA. The ECS mandate, in order to be effective, should be submitted to the RTA on or before August 19, 2011. Shareholders are requested to utilise the ECS for receiving dividends. Any query related to dividend should be directed to the RTA of the Company.

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

7. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's RTA. Shareholders, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective depository participants.

8. Shareholders wishing to claim dividends, which remain unpaid are requested to contact Company's RTA. Shareholders are requested to note that the amount of dividend which remains unclaimed for a period of seven years from the date of declaration will be transferred to the Investor Education and Protection Fund as per Section 205A of the Companies Act, 1956.

9. Information regarding particulars of the directors to be appointed and the directors seeking re-appointment requiring disclosure in terms of the listing agreement and the explanatory statement pursuant to Section 173 of the Companies Act, 1956, are annexed hereto. The directorships held by the directors considered for the purpose of disclosure do not include the

directorships held in foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956 but include private limited companies which are considered as public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956. The committee chairmanships/memberships considered for the purposes of disclosure are those prescribed under clause 49(I)(C) of the listing agreement(s) viz. Audit Committee and Shareholders/Investor Grievance Committee of Indian public limited companies.

10. Corporate members are requested to send a duly certified copy of the board of directors' resolution/power of attorney authorising their representative to attend and vote at the annual general meeting.
11. Statutory registers and documents referred to in the notice and explanatory statement, including certificate from the Auditors of the Company under Clause 14 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of annual

general meeting and will also be available for inspection at the meeting.

12. Shareholders having any question on financial statements or any agenda item proposed in the notice of annual general meeting are requested to send their queries at least ten days prior to the annual general meeting of the Company at its registered office address to enable the Company to collect the relevant information.
13. Shareholders/proxies are requested to bring duly filled admission/attendance slips sent herewith along with the copies of annual reports at the meeting.
14. For the security and safety of the shareholders, no article/baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The shareholders/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.

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

## EXPLANATORY STATEMENT

(Under Section 173(2) of the Companies Act, 1956)

### Item Nos. 7, 8, 10 and 11

Lord Evan Mervyn Davies, Mr. Hui Weng Cheong and H.E. Dr. Salim Ahmed Salim were appointed as additional directors on the Board of the Company w.e.f. September 30, 2010 and Mr. Tsun-yan Hsieh w.e.f. November 9, 2010. Pursuant to the provisions of section 260 of the Companies Act, 1956 read with Article 110(iv) of the Articles of Association of the Company, these directors hold office upto the date of the sixteenth annual general meeting. The Company has received notices under Section 257 of the Companies Act, 1956 from shareholders proposing the candidature of Lord Evan Mervyn Davies, Mr. Hui Weng Cheong, H.E. Dr. Salim Ahmed Salim and Mr. Tsun-yan Hsieh as directors of the Company, liable to retire by rotation along with the prescribed deposit of ₹ 500 for each director.

None of the Directors except Lord Evan Mervyn Davies, Mr. Hui Weng Cheong, H.E. Dr. Salim Ahmed Salim and Mr. Tsun-yan Hsieh are deemed concerned/interested in their respective resolutions.

The Board recommends the appointment of Lord Evan Mervyn Davies, Mr. Hui Weng Cheong, H.E. Dr. Salim Ahmed Salim and Mr. Tsun-yan Hsieh as directors liable to retire by rotation as set out in Item Nos. 7, 8, 10 and 11 respectively.

### Item No. 9

Ms. Tan Yong Choo was appointed as a director to fill casual vacancy caused due to resignation of Mr. Quah Kung Yang w.e.f. January 21, 2010. Pursuant to the provisions of Section 262 of the Companies

Act, 1956 read with Article 110(i) of the Articles of Association of the Company, Ms. Tan Yong Choo holds office upto the date of sixteenth annual general meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder proposing the candidature of Ms. Tan Yong Choo as director of the Company, liable to retire by rotation along with the prescribed deposit of ₹ 500/-.

None of the Directors except Ms. Tan Yong Choo is concerned or interested in the resolution.

The Board recommends the appointment of Ms. Tan Yong Choo as director liable to retire by rotation as set out in Item No. 9.

### Item No. 12

Mr. Sunil Bharti Mittal will be completing his current term as Managing Director of the Company on September 30, 2011. On the advice of the HR Committee, the Board recommends to the shareholders, the re-appointment of Mr. Sunil Bharti Mittal as Managing Director for a further term of five years effective October 1, 2011 on the following terms:

**Fixed Pay (inclusive of salary, allowances and retirement benefits) to be paid monthly**

Such sum as may be determined by the Board from time to time provided that the total fixed pay shall not exceed ₹ 20 crore per annum.

**Variable Pay (Performance Linked Incentive) to be paid annually after the end of the financial year**

Such sum as may be determined by the Board from time to time provided that the total variable pay shall not exceed 200% of the annual fixed pay in any financial year.

**Perquisites**

As per the policy of the Company provided that the total value of perquisite shall not exceed 50% of the fixed pay in any financial year.

**Other benefits**

Other benefits including leave encashment as per the Company policy and rules as may be amended from time to time.

The aggregate remuneration inclusive of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits payable to Mr. Sunil Bharti Mittal as Managing Director shall not exceed the overall ceilings laid down in Sections 198, 309 and other applicable provisions of the Companies Act, 1956 or any other law for the time being in force, if any.

Mr. Sunil Bharti Mittal shall also be entitled to reimbursement of all legitimate expenses incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

**Minimum remuneration**

During his term as managing director, if the Company, in any financial year, incurs losses or its profits are inadequate, the Company will continue to pay Mr. Sunil Bharti Mittal, the above remuneration by way of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits payable subject to the Schedule XIII of the Companies Act, 1956 and approvals as may be required.

In terms of the resolution passed by the shareholders through postal ballot on November 23, 2006, Mr. Sunil Bharti Mittal as Managing Director is presently entitled to a fixed remuneration of ₹ 10 crore per annum beside variable pay and other benefits. The remuneration as proposed in the resolution for approval of shareholders is an enabling one and sets out the maximum amount that can be paid to Mr. Sunil Bharti Mittal over a period of 5 years i.e. until September 30, 2016. Within these limits now set out for approval, the Board is authorised to fix his remuneration.

The Board recommends the resolution as set out in Item No. 12 for approval of the shareholders as an ordinary resolution.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Sunil Bharti Mittal, Mr. Rajan Bharti Mittal and Mr. Rakesh Bharti Mittal are concerned or interested in the proposed resolution.

**Registered Office:**  
Bharti Crescent,  
1, Nelson Mandela Road,  
Vasant Kunj, Phase – II,  
New Delhi - 110 070, India.  
Date: May 5, 2011

By order of the Board  
For Bharti Airtel Limited

Vijaya Sampath  
Group General Counsel  
& Company Secretary

Information on directors seeking appointment/re-appointment at the forthcoming annual general meeting (pursuant to clause 49 of the listing agreement) as on the date of notice.

Name of the Director	Mr. Ajay Lal	Mr. Akhil Kumar Gupta	Mr. Narayanan Kumar
Date of Birth	August 8, 1961	December 22, 1955	January 28, 1950
Qualifications	<ul style="list-style-type: none"> <li>Engineering from IIT, New Delhi</li> <li>PGDBM from IIM, Kolkata</li> <li>Advanced Management Programme at Harvard Business School, USA</li> </ul>	<ul style="list-style-type: none"> <li>Chartered Accountant</li> <li>Advanced Management Programme at Harvard Business School, USA</li> </ul>	Engineering in Electronics and Communications from Anna University, Chennai
Experience and expertise in specific functional area	General Management	Finance and general management	Technology, finance and general management
Shareholding in Bharti Airtel Limited	20,000 shares	2,549,384 shares	Nil
Directorships held in other public limited companies in India	<ul style="list-style-type: none"> <li>The Catholic Syrian Bank Limited</li> <li>Famy Care Limited</li> </ul>	<ul style="list-style-type: none"> <li>Bharti AXA General Insurance Company Limited</li> <li>Bharti AXA Life Insurance Company Limited</li> <li>Bharti Infratel Limited</li> <li>Bharti Infratel Ventures Limited</li> <li>Bharti Telecom Limited</li> <li>Indus Towers Limited</li> <li>Bharti Enterprises Limited</li> <li>Bharti Ventures Limited</li> </ul>	<ul style="list-style-type: none"> <li>Bharti Infratel Limited</li> <li>Cochin Shipyard Limited</li> <li>Entertainment Network (India) Limited</li> <li>MRF Limited</li> <li>Take Solutions Limited</li> <li>Times Innovative Media Limited</li> </ul>
Membership/ Chairmanship of committees in public limited companies in India	<ul style="list-style-type: none"> <li>Bharti Airtel Limited - Audit Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Bharti Airtel Limited - Investor Grievance Committee (Chairman)</li> <li>Bharti Enterprises Limited - Audit Committee (Chairman)</li> <li>Bharti Infratel Limited - Audit Committee (Member)</li> <li>Bharti Telecom Limited - Audit Committee (Member)</li> <li>Bharti Telecom Limited - Share Transfer Committee (Member)</li> <li>Indus Towers Limited - Audit Committee (Chairman)</li> <li>Bharti Ventures Limited - Audit Committee (Chairman)</li> </ul>	<ul style="list-style-type: none"> <li>Bharti Airtel Limited - Audit Committee (Chairman)</li> <li>Bharti Infratel Limited - Audit Committee (Chairman)</li> <li>Cochin Shipyard Limited - Audit Committee (Chairman)</li> <li>Entertainment Network (India) Limited - Audit Committee (Chairman)</li> <li>Take Solutions Limited - Shareholder/Investor Grievance Committee (Chairman)</li> <li>Times Innovative Media Limited - Audit Committee (Member)</li> </ul>

Name of the Director	Lord Evan Mervyn Davies	Mr. Hui Weng Cheong	Ms. Tan Yong Choo
Date of Birth	November 21, 1952	February 17, 1955	September 14, 1964
Qualifications	<ul style="list-style-type: none"> <li>Fellow of the Chartered Institute of Bankers (UK)</li> <li>Management Development Programme at Harvard Business School, USA</li> </ul>	<ul style="list-style-type: none"> <li>First class honours graduate in Engineering (Electrical) from National University of Singapore.</li> <li>Master of Business Administration from the International Business Education and Research Programme at the University of Southern California, USA</li> </ul>	Bachelor of Accountancy (Honours)
Experience and expertise in specific functional area	Finance and general management	General Management	Financial Management
Shareholding in Bharti Airtel Limited	Nil	Nil	Nil
Directorships held in other public limited companies in India	Nil	Bharti Telecom Limited	Bharti Telecom Limited
Membership/ Chairmanship of committees in public limited companies in India	Nil	Nil	<ul style="list-style-type: none"> <li>Bharti Airtel Limited - Audit Committee (Member)</li> <li>Bharti Telecom Limited - Audit Committee (Member)</li> </ul>

Name of the Director	Mr. Tsun-yan Hsieh	H.E. Dr. Salim Ahmed Salim	Mr. Sunil Bharti Mittal
Date of Birth	December 29, 1952	January 23, 1942	October 23, 1957
Qualifications	<ul style="list-style-type: none"> <li>Mechanical Engineering from the University of Alberta</li> <li>MBA from Harvard Business School, USA</li> </ul>	Masters Degree in International Affairs at Columbia University (M.I.A) in New York	<ul style="list-style-type: none"> <li>Graduate from Punjab University</li> <li>Alumnus of Harvard Business School, USA</li> </ul>
Experience and expertise in specific functional area	General Management	Diplomacy and National Leadership	General Management
Shareholding in Bharti Airtel Limited	Nil	Nil	Nil
Directorships held in other public limited companies in India	Nil	Nil	<ul style="list-style-type: none"> <li>Bharti Infratel Limited</li> <li>Bharti Telecom Limited</li> <li>Bharti Ventures Limited</li> </ul>
Membership/ Chairmanship of committees in public limited companies in India	Nil	Nil	Nil

Registered Office:  
 Bharti Crescent,  
 1, Nelson Mandela Road,  
 Vasant Kunj, Phase – II,  
 New Delhi - 110 070, India.  
 Date: May 5, 2011

By order of the Board  
 For Bharti Airtel Limited

Vijaya Sampath  
 Group General Counsel & Company Secretary

**BHARTI AIRTEL LIMITED**

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

**ADMISSION SLIP**

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

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

Name(s) and address of the shareholder in full \_\_\_\_\_

I/we hereby record my/our presence at the sixteenth annual general meeting of the Company being held on Thursday, September 01, 2011 at 3.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi - 110 010, India.

Please (✓) in the box

MEMBER     PROXY

\_\_\_\_\_  
Signature of Shareholder / Proxy

\*Applicable for investor holding shares in physical form.

**BHARTI AIRTEL LIMITED**

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

**PROXY FORM**

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

I/We (Name(s) and address of the shareholder in full) \_\_\_\_\_

being a shareholder of Bharti Airtel Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us on my/our behalf at the sixteenth annual general meeting of the Company scheduled to be held on Thursday, September 01, 2011 at 03.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 or /and at any adjournment thereof.

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

Resolutions	For	Against
Adoption of annual financial statements and reports		
Declaration of dividend on equity shares		
Re-appointment of Mr. Ajay Lal		
Re-appointment of Mr. Akhil Kumar Gupta		
Re-appointment of Mr. Narayanan Kumar		
Re-appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the statutory auditors		
Appointment of Lord Evan Mervyn Davies		
Appointment of Mr. Hui Weng Cheong		
Appointment of Ms. Tan Yong Choo		
Appointment of Mr. Tsun-yan Hsieh		
Appointment H.E. Dr. Salim Ahmed Salim		
Re-appointment of Mr. Sunil Bharti Mittal as Managing Director		

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of the Shareholder

Affix the  
revenue  
stamp of  
₹ 1/-

\*Applicable for investor holding shares in physical form.

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



**ECS/E-MAIL MANDATE FORM**  
 [APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To,  
**Karvy Computershare Private Limited**  
 Unit: Bharti Airtel Limited  
 Plot No. 17-24, Vittal Rao Nagar  
 Madhapur, Hyderabad  
 Pin: 500 081

Name of the First/ Sole Share holder	
Folio No.	

**PAN/E-mail information**

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
E-mail ID	

**ECS Mandate Form (for shares held in Physical mode)**

Bank Name											
Branch Name & Address											
Bank Account Type (tick)	SB		Current		Others						
Bank Account Number											
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photo copy of the Cheque)											

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail / receive dividend paid by the Company under the ECS mode.

\_\_\_\_\_  
 Signature of the 1st Registered Holder/Sole Holder





## Circle offices

### Assam & North East States

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

### Andhra Pradesh

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

### Bihar

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

### Delhi NCR

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

### Gujarat

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

### Haryana, Punjab, Himachal and J&K

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

### Karnataka

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

### Madhya Pradesh & Chhatisgarh

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

### Maharashtra & Goa

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

### Rajasthan

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

### Tamil Nadu & Kerela

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

### Uttar Pradesh & Uttaranchal

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

### West Bengal & Orrisa

2 Infinity Building,  
7th floor,  
Sector V,  
Salt Lake Electronics Complex,  
Kolkata – 700 091

**bharti**