

Quarterly report on the results for the second quarter and half year ended September 30, 2013

Bharti Airtel Limited

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

bharti airtel assigned an investment grade rating (Baa3) by Moody's

bharti airtel ranked No.4 by Transparency International for 'Transparency in Corporate Reporting' among the top 100 emerging market MNCs

airtel Bangladesh awarded 3G spectrum through auction process



The image displays three promotional posters for Airtel services. The first poster on the left is titled 'do more with airtel money' and features a cartoon character holding a smartphone. The middle poster is titled 'MY POSTPAID PLAN. CREATED BY ME. FOR ME. myPlan' and shows a man in a blue shirt. The third poster on the right is titled 'videos for ₹1, friendship free' and shows two children. All posters include the Airtel logo and contact information.

September 30, 2013

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

Supplemental Disclosures

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

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

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

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

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

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

Further disclosures are also provided under "Use of Non - GAAP financial information" on page 35

Others: In this report, the terms "we", "us", "our", "Bharti", or "the Company", unless otherwise specified or the context otherwise implies, refer to Bharti Airtel Limited ("Bharti Airtel") and its subsidiaries, Bharti Hexacom Limited ("Bharti Hexacom"), Bharti Airtel (Services) Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Telemedia Limited (Bharti

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

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

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SECTION 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2011	2012	2013	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Operating Highlights									
Total Customer Base	000's	220,877	251,646	271,227	262,555	262,275	271,227	274,917	280,087
Total Minutes on Network	Mn Min	890,093	1,020,615	1,127,150	274,820	284,041	293,672	301,366	297,873
Sites on Network	Nos	131,304	141,059	156,905	151,219	153,907	156,905	158,613	159,439
Total Employees	Nos	23,371	19,956	25,710	20,749	22,590	25,710	26,042	25,288
No. of countries of operation	Nos	19	20	20	20	20	20	20	20
Population Covered	Bn	1.83	1.84	1.85	1.85	1.85	1.85	1.85	1.85
Consolidated Financials (Rs Mn)									
Total Revenue	Rs Mn	595,383	683,267	769,045	193,999	193,624	195,821	202,639	213,244
EBITDA	Rs Mn	200,718	222,025	232,579	59,369	57,749	60,605	65,449	68,321
EBIT	Rs Mn	98,652	94,949	84,431	22,478	20,399	22,601	26,979	28,927
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	180,581	193,899	195,643	50,370	47,914	51,475	59,113	55,629
Profit before Tax	Rs Mn	76,782	63,792	47,853	14,210	9,032	12,318	16,125	14,468
Net income	Rs Mn	60,467	42,594	22,757	7,212	2,837	5,086	6,889	5,120
Capex	Rs Mn	140,100	128,150	126,451	37,752	22,132	32,878	22,954	21,391
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	60,617	93,874	106,128	21,618	35,617	27,727	42,495	46,930
Net Debt	Rs Mn	599,512	618,442	581,283	610,526	582,176	581,283	583,806	608,771
Shareholder's Equity	Rs Mn	487,668	506,113	503,217	493,070	516,274	503,217	575,307	587,756
Consolidated Financials (US\$ Mn)									
Total Revenue ¹	US\$ Mn	13,063	14,284	14,129	3,515	3,558	3,619	3,628	3,398
EBITDA ¹	US\$ Mn	4,403	4,641	4,273	1,076	1,061	1,120	1,172	1,089
EBIT ¹	US\$ Mn	2,163	1,985	1,551	407	375	418	483	461
Cash profit from operations before Derivative & Exchange Fluctuations ¹	US\$ Mn	3,961	4,053	3,594	913	881	951	1,058	887
Profit before Tax ¹	US\$ Mn	1,682	1,334	879	257	166	228	289	231
Net income ¹	US\$ Mn	1,325	890	418	131	52	94	123	82
Capex ¹	US\$ Mn	3,072	2,679	2,323	684	407	608	411	341
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	1,330	1,962	1,950	392	655	512	761	748
Net Debt ²	US\$ Mn	13,427	12,089	10,687	11,586	10,628	10,687	9,779	9,697
Shareholder's Equity ²	US\$ Mn	10,922	9,893	9,252	9,357	9,425	9,252	9,637	9,363
Key Ratios									
EBITDA Margin	%	33.7%	32.5%	30.2%	30.6%	29.8%	30.9%	32.3%	32.0%
EBIT Margin	%	16.6%	13.9%	11.0%	11.6%	10.5%	11.5%	13.3%	13.6%
Net Profit Margin	%	10.2%	6.2%	3.0%	3.7%	1.5%	2.6%	3.4%	2.4%
Net Debt to Funded Equity Ratio	Times	1.23	1.22	1.16	1.24	1.13	1.16	1.01	1.04
Net Debt to EBITDA (LTM) - US\$	Times	2.95	2.60	2.50	2.59	2.43	2.50	2.21	2.18
Net Debt to EBITDA (Annualised) - US\$	Times	2.95	2.60	2.50	2.69	2.50	2.39	2.09	2.23
Interest Coverage ratio	Times	11.20	9.09	6.77	6.67	6.62	7.26	7.44	7.38
Return on Shareholder's Equity	%	13.3%	8.6%	4.5%	7.1%	5.6%	4.5%	4.3%	3.7%
Return on Capital employed	%	10.8%	7.1%	5.7%	6.0%	5.9%	5.6%	6.0%	6.3%
Valuation Indicators									
Market Capitalization	Rs Bn	1,358	1,279	1,108	1,006	1,203	1,108	1,165	1,272
Market Capitalization	US\$ Bn	30.4	25.0	20.4	19.1	22.0	20.4	19.5	20.3
Enterprise Value	Rs Bn	1,957	1,897	1,689	1,616	1,785	1,689	1,749	1,881
EV / EBITDA (LTM)	Times	9.75	8.55	7.26	7.07	7.75	7.26	7.19	7.46
P/E Ratio (LTM)	Times	22.43	30.00	48.65	28.71	43.35	48.65	50.32	61.53

1. Average exchange rates used for Rupee conversion to US\$ is (a) Rs. 45.60 for the financial year ended March 31, 2011 (b) Rs. 47.84 for the financial year ended March 31, 2012 (c) Rs. 54.43 for the financial year ended March 31, 2013 (d) Rs. 55.19 for the quarter ended September 30, 2012 (e) Rs. 54.42 for the quarter ended December 31, 2012 (f) Rs. 54.12 for the quarter ended March 31, 2013 (g) Rs. 55.86 for the quarter ended June 30, 2013 (h) Rs. 62.75 for the quarter ended September 30, 2013 based on the RBI Reference rate.

2. Closing exchange rates used for Rupee conversion to US\$ is (a) Rs. 44.65 for the financial year ended March 31, 2011 (b) Rs. 51.16 for the financial year ended March 31, 2012 (c) Rs. 54.39 for the quarter and financial year ended March 31, 2013 (d) Rs. 52.70 for the quarter ended September 30, 2012 (e) Rs. 54.78 for the quarter ended December 31, 2012 (f) Rs. 59.70 for the quarter ended June 30, 2013 (g) Rs. 62.78 for the quarter ended September 30, 2013 being the RBI Reference rate.

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

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

SECTION 2

BHARTI AIRTEL - AN INTRODUCTION

2.1 Introduction

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

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

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

2.2 Business Divisions

2.2.1 India

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

B2C Services:

Mobile Services (India) – We are the largest wireless operator in the country both in terms of customers and revenues. We offer postpaid, pre-paid, roaming, internet, m-Commerce (Airtel Money) and other value added services using GSM mobile technology. Our distribution channel is spread across 1.5 Mn outlets with network presence in 5,121 census and 460,550 non-census towns and villages in India covering approximately 86.7% of the country's population.

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

Our national long distance infrastructure provides a pan-India reach with 175,705 Rkms of optical fiber.

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

Digital TV Services – Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. We currently offer a total of 379 channels including 17 HD channels and 4 interactive services.

B2B Services:

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

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

Tower Infrastructure Services – On a consolidated basis, our subsidiary, Bharti Infratel Limited (BIL) is one of the largest tower infrastructure providers in India based on the number of towers owned. BIL also holds 42% equity interest in Indus Towers (Indus), a joint venture with Vodafone India and Aditya Birla Telecom who hold 42% and 16% respectively.

Our tower infrastructure has a nationwide presence across 22 circles in India with BIL covering 11 circles and Indus covering 15 circles, 4 of which are overlapping. BIL and Indus provide access to their towers primarily to wireless telecommunication service providers on a shared basis under long term contracts.

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

2.2.2 International

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

South Asia – South Asia represents our operations in Bangladesh and Sri Lanka. In Bangladesh, we are present across 64 districts with a distribution network comprising of 109,000 retailers across the country. In Sept 13, we were awarded license and spectrum to operate 3G services across Bangladesh. In Sri Lanka, we operate across 25 administrative districts with distribution network of over 41,400 retailers. Our 3.5G services are present across major towns in Sri Lanka.

2.3 Partners

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

SECTION 3

FINANCIAL HIGHLIGHTS

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

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

3.1 Consolidated - Summary of Consolidated Financial Statements

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

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	213,244	193,999	10%	415,883	379,600	10%
EBITDA	68,321	59,369	15%	133,770	114,225	17%
<i>EBITDA / Total revenues</i>	<i>32.0%</i>	<i>30.6%</i>		<i>32.2%</i>	<i>30.1%</i>	
EBIT	28,927	22,478	29%	55,906	41,433	35%
Finance cost (net)	16,111	9,250	74%	27,788	16,617	67%
Share of results of Joint Ventures/Associates	1,652	982	68%	2,474	1,688	47%
Profit before Tax ⁵	14,468	14,210	2%	30,593	26,504	15%
Income tax expense ⁵	8,879	7,195	23%	17,454	11,738	49%
Net income ⁶	5,120	7,212	-29%	12,009	14,834	-19%
Capex	21,391	37,752	-43%	44,346	71,441	-38%
Operating Free Cash Flow (EBITDA - Capex)	46,930	21,617	117%	89,425	42,784	109%
Cumulative Investments	2,094,302	1,785,567	17%	2,094,302	1,785,567	17%

Note 5: Profit before Tax and Income Tax expense reported above for the quarter ended and half year ended September 30, 2013, excludes the impact of exceptional items.

Note 6: Net Income for the quarter ended and half year ended September 30, 2013, includes the impact of exceptional items.

3.1.2 Consolidated Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at	As at
	September 30, 2013	March 31, 2013
Assets		
Non-current assets	1,601,569	1,395,347
Current assets	191,678	196,906
Total assets	1,793,247	1,592,253
Non-current liabilities	628,710	627,603
Current liabilities	535,516	420,547
Total liabilities	1,164,226	1,048,150
Equity & Non Controlling Interests		
Equity	587,756	503,217
Non-Controlling Interests	41,265	40,886
Total Equity & Non Controlling Interests	629,021	544,103
Total Equity and liabilities	1,793,247	1,592,253

3.2 Region wise - Summary of Consolidated Financial Statements

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

Amount in Rs mn, except ratios

Particulars	Quarter Ended Sep 2013			Quarter Ended Sep 2012			Half Year Ended Sep 2013			Half Year Ended Sep 2012		
	India	International	Total	India	International	Total	India	International	Total	India	International	Total
Total revenues	140,793	74,795	213,244	132,714	63,450	193,999	282,026	138,017	415,883	259,286	123,890	379,600
EBITDA	49,053	19,268	68,321	43,323	16,046	59,369	98,369	35,331	133,770	83,708	30,541	114,225
<i>EBITDA / Total revenues</i>	<i>34.8%</i>	<i>25.8%</i>	<i>32.0%</i>	<i>32.6%</i>	<i>25.3%</i>	<i>30.6%</i>	<i>34.9%</i>	<i>25.6%</i>	<i>32.2%</i>	<i>32.3%</i>	<i>24.7%</i>	<i>30.1%</i>
EBIT	25,184	3,742	28,927	19,487	2,990	22,478	49,438	6,398	55,906	36,465	4,991	41,433
Profit before Tax ⁷	19,374	(4,263)	14,468	20,830	(6,620)	14,210	40,158	(8,259)	30,593	40,789	(14,262)	26,505
Net income (before exceptional items) ⁸	14,010	(7,904)	5,463	13,878	(6,665)	7,212	28,797	(14,937)	12,553	29,680	(14,822)	14,834
Exceptional Items (net)			343			0			544			0
Net income ⁸			5,120			7,212			12,009			14,834
Capex	10,429	10,962	21,391	24,905	12,847	37,752	23,228	21,117	44,345	50,169	21,272	71,441
Operating Free Cash Flow (EBITDA - Capex)	38,624	8,306	46,930	18,419	3,199	21,618	75,141	14,214	89,425	33,540	9,269	42,784
Cumulative Investments	1,140,587	953,715	2,094,302	1,047,435	738,132	1,785,567	1,140,587	953,715	2,094,302	1,047,435	738,132	1,785,567

Note 7: Profit before Tax for the quarter ended and half year ended September 30, 2013, excludes the impact of exceptional items.

Note 8: The Consolidated net income excludes the impact of exchange fluctuation on certain inter region loans which are considered as "net investment in foreign operations" (Refer section 9.4 Key Accounting Policies as per IFRS)

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Sep 30, 2013			
	India	International	Eliminations	Total
Assets				
Non-current assets	942,461	826,863	(167,755)	1,601,569
Current assets	155,515	66,609	(30,446)	191,678
Total assets	1,097,976	893,472	(198,201)	1,793,247
Liabilities				
Non-current liabilities	107,742	520,968	0	628,710
Current liabilities	225,531	340,425	(30,440)	535,516
Total liabilities	333,273	861,393	(30,440)	1,164,226
Equity & Non Controlling Interests				
Equity	717,641	38,808	(168,693)	587,756
Non controlling interests	47,062	(6,729)	932	41,265
Total Equity & Non Controlling Interests	764,703	32,079	(167,761)	629,021
Total Equity and liabilities	1,097,976	893,472	(198,201)	1,793,247

3.3 Segment wise Summarized Statement of Operations

INDIA

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	140,793	132,714	6%	282,026	259,286	9%
EBITDA	49,053	43,323	13%	98,369	83,708	18%
<i>EBITDA / Total revenues</i>	<i>34.8%</i>	<i>32.6%</i>		<i>34.9%</i>	<i>32.3%</i>	
EBIT	25,184	19,487	29%	49,438	36,465	36%
Capex	10,429	24,905	-58%	23,228	50,169	-54%
Operating Free Cash Flow (EBITDA - Capex)	38,624	18,418	110%	75,141	33,539	124%
Cumulative Investments	1,140,587	1,047,435	9%	1,140,587	1,047,435	9%

B2C Services

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

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	113,541	108,906	4%	229,554	213,540	7%
EBITDA	38,036	33,396	14%	75,668	64,661	17%
<i>EBITDA / Total revenues</i>	<i>33.5%</i>	<i>30.7%</i>		<i>33.0%</i>	<i>30.3%</i>	
EBIT	21,417	18,012	19%	42,396	34,257	24%
Capex	7,228	16,793	-57%	15,135	34,993	-57%
Operating Free Cash Flow (EBITDA - Capex)	30,808	16,603	86%	60,533	29,668	104%
Cumulative Investments	796,425	709,404	12%	796,425	709,404	12%

3.3.2 Telemedia Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	9,757	8,940	9%	19,241	17,829	8%
EBITDA	3,617	3,699	-2%	7,381	7,228	2%
<i>EBITDA / Total revenues</i>	<i>37.1%</i>	<i>41.4%</i>		<i>38.4%</i>	<i>40.5%</i>	
EBIT	1,404	1,794	-22%	2,843	3,365	-16%
Capex	810	788	3%	1,470	2,105	-30%
Operating Free Cash Flow (EBITDA - Capex)	2,807	2,911	-4%	5,911	5,123	15%
Cumulative Investments	76,500	73,212	4%	76,500	73,212	4%

3.3.3 Digital TV Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	5,072	3,937	29%	9,972	7,595	31%
EBITDA	645	33	1865%	1,405	10	14688%
<i>EBITDA / Total revenues</i>	<i>12.7%</i>	<i>0.8%</i>		<i>14.1%</i>	<i>0.1%</i>	
EBIT	(1,473)	(2,228)	34%	(2,629)	(4,493)	41%
Capex	1,042	1,630	-36%	3,282	4,871	-33%
Operating Free Cash Flow (EBITDA - Capex)	(397)	(1,597)	75%	(1,877)	(4,861)	61%
Cumulative Investments	43,613	37,876	15%	43,613	37,876	15%

B2B Services

3.3.4 Airtel Business

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	16,825	13,934	21%	30,861	25,840	19%
EBITDA	3,243	2,056	58%	6,007	3,870	55%
<i>EBITDA / Total revenues</i>	<i>19.3%</i>	<i>14.8%</i>		<i>19.5%</i>	<i>15.0%</i>	
EBIT	1,844	670	175%	3,266	1,101	197%
Capex	142	458	-69%	423	624	-32%
Operating Free Cash Flow (EBITDA - Capex)	3,101	1,598	94%	5,584	3,246	72%
Cumulative Investments	44,719	42,268	6%	44,719	42,268	6%

3.3.5 Tower Infrastructure Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	12,602	12,173	4%	25,434	23,960	6%
EBITDA	5,421	5,428	0%	11,166	10,678	5%
<i>EBITDA / Total revenues</i>	<i>43.0%</i>	<i>44.6%</i>		<i>43.9%</i>	<i>44.6%</i>	
EBIT	2,722	1,610	69%	4,639	3,161	47%
Share of results of joint ventures/associates	1,322	1,058	25%	2,244	1,833	22%
Capex	1,193	2,883	-59%	2,920	5,098	-43%
Operating Free Cash Flow (EBITDA - Capex)	4,228	2,545	66%	8,246	5,580	48%
Cumulative Investments	171,864	175,403	-2%	171,864	175,403	-2%

Others

3.3.6 Others (India)

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	767	928	-17%	1,558	1,737	-10%
EBITDA	(698)	(378)	-84%	(1,018)	(918)	-11%
EBIT	(697)	(380)	-83%	(1,029)	(923)	-11%
Capex	50	2,353	-98%	49	2,477	-98%
Operating Free Cash Flow (EBITDA - Capex)	(748)	(2,731)	73%	(1,067)	(3,395)	69%
Cumulative Investments	7,466	9,271	-19%	7,466	9,271	-19%

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

In INR:

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	74,795	63,450	18%	138,017	123,890	11%
EBITDA	19,268	16,046	20%	35,331	30,541	16%
<i>EBITDA / Total revenues</i>	<i>25.8%</i>	<i>25.3%</i>		<i>25.6%</i>	<i>24.7%</i>	
EBIT	3,742	2,990	25%	6,398	4,991	28%
Capex	10,962	12,847	-15%	21,117	21,272	-1%
Operating Free Cash Flow (EBITDA - Capex)	8,306	3,199	160%	14,214	9,269	53%
Cumulative Investments	953,715	738,132	29%	953,715	738,132	29%

In USD:

Amount in US \$ mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	1,191	1,150	4%	2,323	2,269	2%
EBITDA	306	291	5%	592	558	6%
<i>EBITDA / Total revenues</i>	<i>25.7%</i>	<i>25.3%</i>		<i>25.5%</i>	<i>24.6%</i>	
EBIT	58	55	7%	105	90	16%
Capex	175	233	-25%	356	389	-8%
Operating Free Cash Flow (EBITDA - Capex)	131	58	125%	236	169	39%
Cumulative Investments	15,192	14,006	8%	15,192	14,006	8%

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

Amount in US \$ mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues ¹¹	1,119	1,097	2%	2,181	2,163	1%
EBITDA	301	298	1%	585	573	2%
<i>EBITDA / Total revenues</i>	26.9%	27.2%		26.8%	26.5%	
EBIT	75	80	-6%	140	142	-1%
Capex	154	210	-27%	319	330	-3%
Operating Free Cash Flow (EBITDA - Capex)	147	88	68%	266	243	9%
Cumulative Investments	14,210	13,278	7%	14,210	13,278	7%

Note 9: Africa financials reported above are in their functional currency i.e., US\$.

Note 10: In constant currency terms, the reported revenues of \$ 1,119 million for the quarter ended September 30, 2013, against \$ 1,090 million in the same quarter last year, represents a YoY growth of 2.7% (Refer page 39 for revenues in constant currency).

Note 11: Total revenues for the quarter ended September 30, 2013 is impacted by downward revision in mobile termination rates in select countries. Net Revenue (net of access charges and cost of goods sold) which reflects the underlying performance stands at \$ 934 million and \$ 880 million for the quarter ended Sep-13 and Sep-12 respectively, representing a YoY growth of 6.1%. (Refer page 39 for five quarter trend of net revenue for Africa).

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

Amount in US \$ mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
Total revenues	72	53	36%	142	106	34%
EBITDA	4	(7)	163%	7	(15)	149%
<i>EBITDA / Total revenues</i>	5.8%	-12.5%		5.0%	-13.8%	
EBIT	(17)	(25)	34%	(35)	(51)	32%
Capex	21	23	-8%	37	59	-37%
Operating Free Cash Flow (EBITDA - Capex)	(17)	(30)	43%	(30)	(74)	59%
Cumulative Investments	982	728	35%	982	728	35%

3.4 Region wise & Segment wise - Investment & Contribution

3.4.1 India

Amount in Rs mn, except ratios

Segment	Quarter Ended Sep 2013						As at Sep 30, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services ¹²	113,541	81%	38,036	78%	7,228	69%	796,425	70%
Telemedia Services	9,757	7%	3,617	7%	810	8%	76,500	7%
Digital TV Services	5,072	4%	645	1%	1,042	10%	43,613	4%
Airtel Business	16,825	12%	3,243	7%	142	1%	44,719	4%
Tower Infrastructure Services	12,602	9%	5,421	11%	1,193	11%	171,864	15%
Others	767	1%	(698)	-1%	50	0%	7,466	1%
Sub Total	158,564	113%	50,264	102%	10,465	100%	1,140,587	100%
Eliminations	(17,771)	-13%	(1,211)	-2%	(36)	0%		
Accumulated Depreciation And Amortization							(465,833)	
Total (India)	140,793	100%	49,053	100%	10,429	100%	674,754	
Consolidated	213,244		68,321		21,391		2,094,302	
% of Consolidated	66%		72%		49%		54%	

Note 12: Cumulative Investments include National optic fibre network.

Amount in Rs mn, except ratios

Segment	Half Year Ended Sep 2013						As at Sep 30, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services ¹²	229,554	81%	75,668	77%	15,135	65%	796,425	70%
Telemedia Services	19,241	7%	7,381	8%	1,470	6%	76,500	7%
Digital TV Services	9,972	4%	1,405	1%	3,282	14%	43,613	4%
Airtel Business	30,861	11%	6,007	6%	423	2%	44,719	4%
Tower Infrastructure Services	25,434	9%	11,166	11%	2,920	13%	171,864	15%
Others	1,558	1%	(1,018)	-1%	49	0%	7,466	1%
Sub Total	316,620	112%	100,609	102%	23,279	100%	1,140,587	100%
Eliminations	(34,594)	-12%	(2,240)	-2%	(51)	0%		
Accumulated Depreciation And Amortization							(465,833)	
Total (India)	282,026	100%	98,369	100%	23,228	100%	674,754	
Consolidated	415,883		133,770		44,346		2,094,302	
% of Consolidated	68%		74%		52%		54%	

3.4.2 International

Amount in US\$ mn, except ratios

Segment	Quarter Ended Sep 2013						As at Sep 30, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Africa	1,119	94%	301	99%	154	88%	14,210	94%
South Asia	72	6%	4	1%	21	12%	982	6%
Sub Total	1,191	100%	306	100%	175	100%	15,192	100%
Eliminations	0	0%	0	0%	0	0%	0	
Accumulated Depreciation And Amortization							(2,722)	
Total (International)	1,191	100%	306	100%	175	100%	12,470	
% of Consolidated	34%		28%		51%		46%	

Amount in US\$ mn, except ratios

Segment	Half Year Ended Sep 2013						As at Sep 30, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Africa	2,181	94%	585	99%	319	90%	14,210	94%
South Asia	142	6%	7	1%	37	10%	982	6%
Sub Total	2,323	100%	592	100%	356	100%	15,192	100%
Eliminations	0	0%	0	0%	0	0%	0	0%
Accumulated Depreciation And Amortization							(2,722)	0%
Total (International)	2,323	100%	592	100%	356	100%	12,470	
% of Consolidated	32%		26%		48%		46%	

SECTION 4
OPERATING HIGHLIGHTS

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

4.1 Customers and Non Voice % - Consolidated

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Mobile Services	000's	268,177	263,176	2%	251,825	6%
India	000's	193,457	190,948	1%	185,922	4%
International	000's	74,720	72,228	3%	65,903	13%
Telemedia Services	000's	3,338	3,289	1%	3,275	2%
Digital TV Services	000's	8,572	8,452	1%	7,455	15%
Total	000's	280,087	274,917	2%	262,555	7%
Non Voice Revenue as a % of Total Revenues	%	25.0%	25.2%		23.9%	

4.2 Traffic Details – Consolidated

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Mobile Services	Mn Min	289,843	294,823	-2%	266,723	9%
India	Mn Min	251,322	258,380	-3%	234,224	7%
International	Mn Min	38,521	36,443	6%	32,499	19%
Telemedia Services	Mn Min	4,209	4,137	2%	4,156	1%
National Long Distance Services	Mn Min	25,045	23,795	5%	22,997	9%
International Long Distance Services	Mn Min	3,406	2,880	18%	4,340	-22%
Total Minutes on Network (Gross)	Mn Min	322,504	325,635	-1%	298,216	8%
Eliminations	Mn Min	(24,631)	(24,268)	1%	(23,396)	5%
Total Minutes on Network (Net)	Mn Min	297,873	301,366	-1%	274,820	8%

4.3 Mobile Services India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Customer Base	000's	193,457	190,948	1%	185,922	4%
VLR	%	95.1%	95.2%		91.5%	
Net Additions	000's	2,509	2,728	-8%	(1,380)	-282%
Pre-Paid (as % of total Customer Base)	%	95.4%	95.6%		96.0%	
Monthly Churn	%	3.2%	3.2%		8.5%	
Average Revenue Per User (ARPU)	Rs	192	200	-4%	177	8%
Average Revenue Per User (ARPU)	US\$	3.1	3.6	-15%	3.2	-5%
Revenue per site per month	Rs	272,979	282,406	-3%	260,380	5%
Voice						
Minutes on the network	Mn	251,322	258,380	-3%	234,224	7%
Voice Average Revenue Per User (ARPU)	Rs	160	166	-3%	148	9%
Voice Usage per customer	min	437	455	-4%	417	5%
Voice Realization per minute	paisa	36.74	36.39	1%	35.43	4%
Non Voice Revenue						
% of Mobile revenues	%	16.5%	17.3%		16.8%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	6.7%	8.2%		10.1%	
Data as % of Mobile revenues	%	9.2%	7.4%		5.2%	
Others as % of Mobile revenues	%	0.6%	1.7%		1.5%	
Data						
Data Customer Base	000's	50,631	46,584	9%	40,600	25%
<i>Of which no. of 3G data customers</i>	000's	8,015	6,796	18%	4,014	100%
<i>As % of Customer Base</i>	%	26.2%	24.4%		21.8%	
Total MBs on the network	Mn MBs	33,630	27,271	23%	15,879	112%
Data Average Revenue Per User (ARPU)	Rs	70	63	11%	43	62%
Data Usage per customer	MBs	231	203	14%	133	73%
Data Realization per MB	paisa	30.26	30.97	-2%	32.37	-7%

4.4 Telemedia Services

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Telemedia Customers	000's	3,338	3,289	1%	3,275	2%
<i>Of which no. of broadband (DSL) customers</i>	000's	1,439	1,406	2%	1,380	4%
<i>As % of Customer Base</i>	%	43.1%	42.7%		42.1%	
Net additions	000's	49	6	711%	3	1738%
Average Revenue Per User (ARPU)	Rs	944	924	2%	910	4%
Average Revenue Per User (ARPU)	US\$	15.1	16.5	-9%	16.5	-9%
Non Voice Revenue as % of Telemedia revenues	%	59.1%	57.8%		52.4%	

4.5 Digital TV Services

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Digital TV Customers	000's	8,572	8,452	1%	7,455	15%
Net additions	000's	120	352	-66%	55	118%
Average Revenue Per User (ARPU)	Rs	198	197	1%	177	12%
Average Revenue Per User (ARPU)	US\$	3.2	3.5	-10%	3.2	-1%
Monthly Churn	%	1.0%	0.6%		1.9%	

4.6 Network and Coverage - India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	5,121	5,121	0	5,121	0
Non-Census Towns and Villages	Nos	460,550	460,682	(132)	457,053	3,497
Population Coverage	%	86.7%	86.7%		86.6%	
Optic Fibre Network	R Kms	175,405	173,217	2,187	162,457	12,947
Sites on Network	Nos	135,412	134,736	676	129,411	6,001
<i>Of which no. of 3G sites</i>	Nos	26,616	25,604	1,012	20,333	6,283
Telemedia Services						
Cities covered	Nos	87	87	0	87	0
Airtel Business						
Submarine cable systems	Nos	7	7	0	7	0
Digital TV Services						
Districts Covered	Nos	639	639	0	632	7
Coverage	%	100%	100%		99%	

4.7 Tower Infrastructure Services

4.7.1 Bharti Infratel Standalone

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Total Towers	Nos	35,376	35,288	88	34,220	1,156
Total Co-locations	Nos	65,391	64,345	1,046	62,027	3,364
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	38,819	37,537	3%	36,839	5%
Average Sharing Factor	Times	1.84	1.82		1.81	

Additional Information:

4.7.2 Indus Towers

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Total Towers	Nos	112,144	111,983	161	110,561	1,583
Total Co-locations	Nos	225,252	223,078	2,174	219,687	5,565
Average Sharing Factor	Times	2.00	1.99		1.98	

4.7.3 Bharti Infratel Consolidated

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Total Towers	Nos	82,476	82,321	156	80,656	1,821
Total Co-locations	Nos	159,997	158,038	1,959	154,296	5,701
Average Sharing Factor	Times	1.93	1.91		1.91	

4.8 Human Resource Analysis – India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Total Employees ¹³	Nos	19,502	20,031	(529)	15,029	4,473
Number of Customers per employee	Nos	10,531	10,119	412	13,085	(2,554)
Personnel cost per employee per month	Rs	93,888	92,985	1%	105,510	-11%
Gross Revenue per employee per month	Rs	2,406,470	2,350,238	2%	2,943,508	-18%

Note 13: Total Employees do not include 42% of Indus towers employees.

4.9 Africa

4.9.1 Operational Performance

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Customer Base	000's	66,378	64,203	3%	58,667	13%
VLR	%	86.8%	86.7%		85.8%	
Net Additions	000's	2,175	485	349%	2,812	-23%
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%		99.3%	
Monthly Churn	%	6.6%	6.7%		5.1%	
Average Revenue Per User (ARPU)	US\$	5.7	5.5	5%	6.4	-10%
Revenue per site per month	US\$	21,247	20,438	4%	22,872	-7%
Voice						
Minutes on the network	Mn	27,848	25,971	7%	23,646	18%
Voice Average Revenue Per User (ARPU)	US\$	4.7	4.5	4%	5.5	-15%
Voice Usage per customer	min	143	134	7%	138	4%
Voice Realization per minute	US¢	3.30	3.38	-2%	4.03	-18%
Non Voice Revenue						
% of Mobile revenues	%	17.9%	17.4%		13.0%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	8.8%	8.7%		6.9%	
Data as % of Mobile revenues	%	6.6%	5.4%		3.6%	
Others as % of Mobile revenues	%	2.5%	3.3%		2.5%	
Data						
Data Customer Base	000's	17,535	15,544	13%	13,935	26%
<i>As % of Customer Base</i>	%	26.4%	24.2%		23.8%	
Total MBs on the network	Mn MBs	4,215	3,140	34%	2,145	97%
Data Average Revenue Per User (ARPU)	US\$	1.5	1.3	15%	1.0	46%
Data Usage per customer	MBs	84.7	70.2	21%	56.2	51%
Data Realization per MB	US¢	1.74	1.81	-4%	1.73	1%

Refer table 8.9.2 on page 46 for KPI's in constant currency.

4.9.2 Network & Coverage

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Sites on Network	Nos	17,444	17,345	99	15,979	1,465
<i>Of which no. of 3G sites</i>	Nos	6,237	6,201	36	5,347	890

4.9.3 Human Resource Analysis

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Total Employees	Nos	5,022	5,274	(252)	4,984	38
Number of Customers per employee	Nos	13,218	12,174	1,044	11,771	1,447
Personnel cost per employee per month	US\$	6,984	5,982	17%	6,015	16%
Gross Revenue per employee per month	US\$	74,271	67,129	11%	73,335	1%

4.10 South Asia

4.10.1 Operational Performance

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Customer Base	000's	8,342	8,025	4%	7,236	15%
VLR	%	82.9%	82.8%		82.6%	
Net Additions	000's	317	119	167%	355	-11%
Pre-Paid (as % of total Customer Base)	%	97.3%	97.5%		97.2%	
Monthly Churn	%	6.0%	4.7%		5.7%	
Average Revenue Per User (ARPU)	US\$	3.0	2.9	1%	2.5	17%
Revenue per site per month	US\$	3,665	3,585	2%	3,101	18%
Voice						
Minutes on the network	Mn	10,673	10,472	2%	8,853	21%
Voice Average Revenue Per User (ARPU)	US\$	2.5	2.5	-1%	2.2	16%
Voice Usage per customer	min	436	439	-1%	420	4%
Voice Realization per minute	USc	0.58	0.58	0%	0.52	11%
Non Voice Revenue						
% of Mobile revenues	%	14.8%	13.4%		13.8%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	7.2%	6.5%		6.1%	
Data as % of Mobile revenues	%	5.4%	5.1%		5.7%	
Others as % of Mobile revenues	%	2.2%	1.8%		2.0%	
Data						
Data Customer Base	000's	2,376	2,236	6%	2,145	11%
As % of Customer Base	%	28.5%	27.9%		29.6%	
Total MBs on the network	Mn MBs	1,278	1,049	22%	802	59%
Data Average Revenue Per User (ARPU)	US\$	0.6	0.5	6%	0.4	55%
Data Usage per customer	MBs	183.8	157.8	16%	132.3	39%
Data Realization per MB	USc	0.31	0.34	-9%	0.28	12%

Refer table 8.10.2 on page 47 for KPI's in constant currency.

4.10.2 Network & Coverage

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Sites on Network	Nos	6,583	6,532	51	5,829	754
Of which no. of 3G sites	Nos	684	684	0	633	51

4.10.3 Human Resource Analysis

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Q-on-Q Growth	Sep 30, 2012	Y-on-Y Growth
Total Employees	Nos	764	737	27	736	28
Number of Customers per employee	Nos	10,919	10,888	30	9,830	1,088
Personnel cost per employee per month	US\$	2,558	2,232	15%	2,080	23%
Gross Revenue per employee per month	US\$	31,505	31,653	0%	24,108	31%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India

A. Key Industry Developments

1. TRAI Recommendations on Spectrum Pricing released in Sep 2013

TRAI in its recommendations dated September 09, 2013 on the Valuation and Reserve Price of Spectrum has recommended a reduction of nearly 37.1 % in the price of Spectrum in 1800 MHz Band pan India and the reduction ranging from 45% to 66% in the price of 900 MHz Band in the three circles of Delhi, Mumbai and Kolkata.

- TRAI has also recommended that all spectrum allocated through auction should be charged at a flat rate of 3% of AGR w.e.f. April 01, 2014, and also highest slab rate of SUC may be brought down to 5% of AGR.
- On the issue of refarming, TRAI has recommended that there should be no reservation of spectrum in 900 MHz and 1800 MHz for those whose licences are expiring in year 2014.
- TRAI has recommended that the feasibility of adoption of E-GSM should be explored in a time-bound manner
- The final decision of the Government is awaited.

2. Recommendations on Full MNP

TRAI has released its Recommendations on Full MNP (Inter service Area portability) as below:

- The DoT may carry out the necessary changes in the existing MNP license.
- TSP will be given 6 months' time for implementation of Full MNP.
- After the Full MNP is implemented the Recipient Operator will forward the porting request to the MNPS of the zone to which original number range holder (the TSP to which the number originally belonged before its first porting) belongs.
- Reduce Acceptance Testing Fee to 25% of the Current Fee.

3. TRAI amendments to the interconnection Regulations applicable for DAS and tariff order applicable for addressable systems.

TRAI vide an amendment in the tariff order has modified the twin rules that regulate the a-la-carte rate of channels vis-a-vis the bouquet rates at retail level as below:

- (a) the a-la-carte rate of a pay channel forming part of a bouquet shall not exceed two times the a-la-carte rate of the channel offered by the

broadcaster at wholesale rate for addressable systems; and

- (b) the a-la-carte rate of a pay channel forming part of a bouquet shall not exceed three times the ascribed value of the pay channel in the bouquet.

These twin conditions are mandatory w.e.f. January 1, 2014. However, during the period from the notification of this tariff order till December 31, 2013, operators would be required to offer channels, complying to either of the two conditions, specified in the twin conditions.

B. Key Company Developments

- Bharti Airtel assigned an investment grade rating (Baa3) by Moody's
- Bharti Airtel ranked No.4 by Transparency International for 'Transparency in Corporate Reporting' among top 100 Emerging Market MNCs.
- Bharti Airtel has secured the top spot among the 'Best companies to work for' in the Indian telecom sector in Business Today- People Strong Survey 2013.
- Bharti Airtel was conferred the prestigious 'Top Treasury Team, Asia' Award at 'Euro Finance Treasury Awards for Excellence in Asia' 2013.
- Bharti Airtel was ranked third in Inter-brand's Best Indian Brands' survey for 2013.
- Bharti Airtel acquired an additional 42.45% stake in the four Indian broadband wireless access (BWA) entities (Delhi, Mumbai, Haryana & Kerala) of Qualcomm thereby raising total stake in the entity to 93.45%.
- Airtel Center of Excellence, the shared service wing of Airtel, was awarded 2nd place for "Excellence in Culture Creation" across Asia by Shared Service Organization Network (SSON) amongst all the shared services spread across Asia.
- Bharti Airtel's mEducation product Career counseling won the mbillionth South Asia 2013 Award in July 2013.
- Bharti Airtel emerged as India's most respected Telecom Company in Business World's survey for 2013.
- Airtel announced the kick-off of the second edition of 'Airtel Rising Stars' (ARS) – India's largest under-16 soccer talent hunt across the country.
- Airtel has partnered with Samsung to drive next generation mobile communication, infotainment and technology services.
- Bharti Airtel, through its fully owned subsidiary Airtel M Commerce Services Limited (AMSL), tied-up with North Bihar Power Distribution Company Limited (NBPDC) to offer mobile-based electricity bill payments through airtel money across 21 districts of North Bihar.

- Bharti Airtel launched its virtual 'Re 1 Entertainment Store' which offers a wide range of exciting mobile content (including music, videos, games and photos) and internet browsing offers – all at Re 1 only.

5.2 International

A. Key Industry Developments

DRC

- The Regulator issued the decision to increase the floor price from 8cts to 10cts from October 01, 2013, with a glide path for peak hours (9cts from October 01, 2014, 8cts from October 01, 2015). A decrease of 50% applies for off-peak hours.

Gabon

- The Regulator imposed floor tariffs for all operators starting from September 01, 2013; the floor price for Airtel is CFA 50 whereas for other operators, it is CFA 40. Operators are allowed to decrease the rates by 50% for off-peak hours.
- The Regulator also implemented effective September 01, 2013, an asymmetric inter-connect rate regime where the termination rate was fixed at CFA 25 per minute for Airtel and CFA 30-35 per minute for other operators.

Ghana

- Several new taxes were implemented in Ghana over the last quarter:
 - (a) 20% tax on all telephone handsets.
 - (b) 5% tax on profit before tax of telecom companies, banks, breweries etc.
 - (c) 6 % Customer service tax on interconnect charges on operators with effect from July 15, 2013.

Kenya

- Based on the glide path earlier announced, the MTR was implemented with effect from July 01, 2013, dropping rates from KES 1.44 to KES 1.15

Niger

- The government has extended KYC deadline for 3 additional months. The ruling is as follows:
 - August 25, 2013: operators to put non-KYC subscribers on reception mode only;
 - September 25, 2013: operators to bar outgoing and incoming – but the SIMs will continue being active;
 - October 25, 2013: operators to deactivate SIMs.

Rwanda

- The deadline for complying with KYC norms expired on July 31, 2013, for all operators in the country

Tanzania

- With effect from July 01, 2013, excise duty of TZS 1,000 per month per registered SIM card has been levied. This is being contested by the industry and Customers.

Zambia

- The Regulator has dropped the move to institute criminal proceedings against all operators for breach of quality of service parameters.
- The Minister of Transport, Works, Supply and Communications has announced that the Government will consider allowing a fourth operator to enter the Zambian market after 2015, when the digital migration process is concluded.
- In respect of KYC, the deadline for registration of existing base has been set for December 31, 2013. All new SIMs must be registered at the point of sale with effect from November 15, 2013.

B. Key Company Developments

- Airtel Bangladesh wins 5 Mhz 3G spectrum for \$105 Mn.
- 3G License including 5 MHz spectrum in the 2.1 GHz band was granted in Madagascar in September 2013.
- Airtel Ghana won the 'Best Customer Care' and 'Best Mobile Broadband Service of the Year' Award at the 3rd Ghana Telecoms Award 2013.
- Airtel Nigeria bagged 'Most Innovative Telecom Operator' and 'Most Customer Friendly Operator' of the year Award at 8th edition of the Nigerian Telecoms Awards.
- Airtel Money has been rolled out in all the 17 countries in Africa.
- Series of Data programs launched in Africa to drive communication and product launch during Q2, under the new brand Airtel Internet.
- Airtel announced the readiness of its Africa Connect network aimed at enhancing Africa's connectivity with the rest of the world and add to the data carriage capacity in the Continent.
- Airtel Rising Star, the nationwide soccer talent hunt for under-16 kids in association with Manchester United is coveted brand asset in both Bangladesh & Sri Lanka.
- Bharti Airtel launched the high capacity terrestrial optical fiber link between Bangladesh and India to enhance voice & data connectivity between the two countries as well as transit traffic between Bangladesh and the rest of the world.

5.3 Results of Operations

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

Key Highlights - For the quarter ended September 30, 2013

- Overall customer base at 280.1 Mn across 20 countries
- Net addition of 5.2 Mn customers
- Total revenues of Rs 213.2 Bn; underlying Y-o-Y growth of 13.3%
- Mobile data revenues of Rs 15.03 Bn (up 100.5% Y-o-Y)
- EBITDA at Rs 68.3 Bn; underlying Y-o-Y growth of 20.8%
- EBIT at Rs 28.9 Bn (up 28.7% Y-o-Y)
- Operating free cash flow of Rs 46.9 Bn (up 117.1% Y-o-Y)

Bharti Airtel consolidated results for the quarter ended September 30, 2013

5.3.1 Bharti Airtel Consolidated

As on September 30, 2013, the Company had 280.1 Mn customers consisting of 268.2 Mn Mobile, 3.3 Mn Telemedia and 8.6 Mn Digital TV customers. The total customer base increased by 6.7% compared to the corresponding quarter last year. Total minutes of usage on the network were 297.9 Bn as compared to 274.8 Bn in the corresponding quarter last year, representing a growth of 8.4%. Data traffic more than doubled Y-o-Y to 39.1 Bn MBs from 18.8 Bn MBs in the corresponding quarter last year.

During the quarter, consolidated revenues stood at Rs 213,244 Mn as compared to Rs 193,999 Mn in the corresponding quarter last year, an increase of 9.9%. Revenues in the corresponding quarter last year included a one-time impact of Rs 5,861 Mn on account of a favourable order by TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements. Adjusting for the same, the Y-o-Y growth in top-line is 13.3%. Data continues to contribute significantly towards the topline growth of the Company. Mobile data revenues increased by 100.5% Y-o-Y to Rs 15,026 Mn; and it now contributes 7.0% of overall revenues as against 3.9% in the corresponding quarter last year. Mobile data contributed 39.1% of the overall incremental revenues of the Company.

Underlying growth in net revenues, after netting off inter-connect costs and cost of goods sold, came to 16.0% Y-o-Y. The acceleration in net revenues has been contributed by significant growth in data coupled with access cost reductions in some countries. Against this backdrop, operating expenses increased by 11.3% to Rs 97,170 Mn during the quarter compared to Rs 87,271 Mn in the corresponding quarter last year. The licence fees for the quarter ended September 30, 2013, includes one-off charges of Rs. 872 Mn.

Consequently, the Company had an EBITDA of Rs 68,321 Mn during the quarter, an increase of 15.1% as compared to Rs 59,369 Mn in the corresponding quarter last year. EBITDA margin improved during the quarter to 32.0% as compared to 30.6% in the corresponding quarter last year. During the quarter, depreciation and amortization expenses amounted to Rs 39,394 Mn, which reflects a growth of 6.8% as compared to Rs 36,891 Mn in the corresponding quarter last year. EBIT for the quarter was Rs 28,927 Mn as compared to Rs 22,478 Mn in the corresponding quarter last year, a growth of 28.7%; this was achieved through improved EBITDA margin and capex efficiency. Better operational performance is also leading to higher cash profit from operations (before derivative and exchange fluctuations) which has grown by 19.2% during the first half

of the year to Rs 114,741 Mn as compared to Rs. 96,254 Mn in the first half of last year.

The quarter witnessed significant volatility in the economic environment in India. The Indian Rupee further depreciated by 5.2% and closed 19.1% lower as compared to the corresponding quarter last year, resulting in forex restatement and derivative losses of Rs 3,419 Mn during the quarter. The investment losses (net) during the quarter amounted to Rs. 2,084 Mn primarily contributed by unrealized MTM losses, accounted for in accordance with IAS 39, 'Financial Instruments: Recognition and Measurement'. These MTM losses are mainly attributable to sudden rise in bond yields. As a result, net finance costs during the quarter were higher at Rs 16,111 Mn as compared to Rs 9,250 Mn in the corresponding quarter last year.

Net Finance Cost during the first half of the current year at Rs 27,788 Mn was higher by Rs 11,171 Mn compared to Rs 16,617 Mn in the corresponding period last year. The higher cost is primarily due to an increase of Rs 10,113 Mn in forex restatement and derivative losses, mainly as a result of the Rupee depreciation.

The profit before tax for the quarter ended September 30, 2013 before exceptional items was Rs 14,468 Mn as compared to Rs 14,210 Mn in the corresponding quarter last year, an increase of 1.8%, despite the unprecedented increase in net finance costs. After considering the impact of taxes and minority interests, the consolidated net income for the quarter came in at Rs 5,463 Mn before exceptional items, as compared to Rs 7,212 Mn in the corresponding period last year. Adjusting for the one-time credit of Rs 2,387 Mn, arising out of the favourable TDSAT ruling last year, the net income has increased by 13.2%.

The income tax expense (before tax impact on exceptional items) for the period of six months ending September 30, 2013 is Rs 17,454 Mn compared to Rs 11,738 Mn for the corresponding period last year. The effective tax rate in India for this period came in at 23.6% (23.2% excluding dividend distribution tax) compared to 27.7% (25.1% excluding the impact of dividend distribution tax and additional deferred tax charge for the increase in surcharge) for the full year ended March 31, 2013, mainly due to one off credits during the current period accounting for a reduction of 1.6%. The tax charge in Africa for the first half of the current year at \$ 131 Mn (full year 2012-13: \$ 92 Mn) has been impacted by: i) significant rise in withholding taxes (to \$ 43 Mn) due to increased upstreaming from subsidiary companies, accounted for in accordance with IAS 12 'Income Taxes', and ii) one off settlements (\$ 25 Mn).

The consolidated operating free cash flow during the quarter was Rs 46,930 Mn as compared to Rs 21,618 Mn in the

corresponding quarter last year, reflecting a growth of 117.1%. The year-to-date operating free cash flow of Rs 89,425 Mn has also more than doubled compared to Rs 42,784 Mn in the first half of the last year.

During the quarter, the Company acquired 5 MHz of 3G spectrum in Bangladesh through an auction process conducted by the Government at a price of \$ 105 Mn. This investment would enable the Company to tap more revenues from the fast growing data segment among the youth of Bangladesh. In Africa, the quarter also had the full impact of the Warid Uganda acquisition which was effective from May 13, 2013. During the quarter, the Company has made additional equity investment in its existing 51% owned subsidiary Airtel Broadband Services Pvt. Ltd. (ABSPL), erstwhile Indian arm of Qualcomm, thereby increasing its equity shareholding to 93.45%. Subsequent to the balance sheet date, September 30, 2013, the Company acquired the balance stake in ABSPL, increasing its holding to 100%. Further, the Board of Directors of the Company has also approved the amalgamation of ABSPL with the Company.

5.3.2 Exceptional Items

During the quarter ended September 30, 2013, the Company had recorded a charge of Rs 819 Mn arising from a new regulatory levy in one of its international operations. The Company, together with the industry and customers has opposed this levy and filed a petition in the Courts thereof, and, is confident that this would not be sustainable. Accordingly, this has been disclosed as an exceptional item.

Tax expense for the quarter ended September 30, 2013, includes tax impact of Rs 246 Mn and profit attributable to non-controlling interests includes Rs 230 Mn relating to the above exceptional item. Consequently, the net income is lower by Rs 343 Mn. The net income after exceptional items stands at Rs 5,120 Mn for the quarter ended September 30, 2013.

5.3.3 B2C Services

5.3.3.1 Mobile Services (India)

As on September 30, 2013, the Company had 193.5 Mn GSM mobile customers on its network. VLR for the quarter was 95.1% as compared to 91.5% in the corresponding quarter last year reflecting the improving quality of the customer base. Sustained benefits from the new processes of customer acquisition and retention are visible from the stabilization of customer churn at 3.2% over the last three quarters and a significant improvement as compared to 8.5% in the corresponding quarter last year. Minutes on network during the quarter were 251.3 Bn minutes as compared to 234.2 Bn minutes in the corresponding quarter last year, reflecting a growth of 7.3%. Voice realization per minute continued its improving trend during the quarter; the realization of 36.7 paise reflects an increase of 1.3 paise over the corresponding quarter last year.

The mobile data growth trend continued in the current quarter with more customers using data services. Compared to 40.6 Mn data customers in the corresponding quarter last year, the Company had 50.6 Mn data customers as on September 30, 2013. This was led by a remarkable growth in 3G users who have doubled from 4.0 Mn to 8.0 Mn over a period of twelve months. While the data penetration has increased from 21.8% last year to 26.2%, the fact remains that a vast proportion of our mobile customer base is yet to be tapped for data.

With 26,616 3G sites, Airtel has the largest 3G network in India. Further backed by inter-city and intra-city fiber

networks and seven sub-marine cable systems, the Company has been able to provide a superior internet experience to its customers. This has resulted in the data usage per customer increasing by 72.9% from 133 MBs per month to 231 MBs per month over the last twelve months. The data traffic grew significantly by 111.8% to 33.6 Bn MBs, while realization has been stable at around 30 paise per MB. Consequently, the data ARPU has increased from Rs 43 in the corresponding quarter last year to Rs 70 during the quarter.

Revenue from mobile services during the quarter was Rs 113,541 Mn as compared to Rs 108,906 Mn in the corresponding quarter last year, representing a growth of 4.3%. Adjusting for the favorable TDSAT order in the corresponding quarter last year, revenues grew by 10.2% Y-o-Y. Data continues to grow as a result of better penetration and usage. Mobile data revenues grew 20.5% on a sequential quarter basis and by 98.0% as compared to the corresponding quarter last year. Data revenue during the quarter represented 9.2% of mobile revenue as compared to 5.2% during the corresponding quarter last year. EBITDA during the quarter was Rs 38,036 Mn as compared to Rs 33,396 Mn in the corresponding quarter last year, representing a growth of 13.9%. EBITDA margin improved to 33.5% during the quarter as compared to 30.7% in the corresponding quarter last year, driven by improved product mix and opex efficiencies. This led to a significant improvement of 18.9% in EBIT from Rs 18,012 Mn in the corresponding period last year to Rs 21,417 Mn in the current quarter.

During the quarter, the mobile segment incurred capital expenditure of Rs 7,228 Mn for network capacity build-up as compared to Rs 16,793 Mn in the corresponding quarter last year. The operating free cash flows from this segment presented a strong increase of 85.6% to Rs 30,808 Mn as compared to Rs 16,603 Mn in the corresponding quarter last year.

Airtel Money, Airtel's semi-closed mobile wallet, has witnessed phenomenal growth over the year. *Airtel Money's* active subscriber base has increased by 168.5% Y-o-Y to 1.4 Mn subscribers as on September 30, 2013 having a transaction value of Rs 6,541 Mn during the quarter as against Rs 691 Mn in the same quarter last year, representing wider acceptability of these services. A total of 23.7 Mn transactions occurred during the quarter, representing an average value per transaction of Rs 276.

5.3.3.2 Telemedia Services

As on September 30, 2013, the Company had its Telemedia operations in 87 cities with 3.3 Mn customers, out of which approximately 1.4 Mn are broadband (DSL) customers, representing 43.1% of the total Telemedia customers. The segment witnessed relatively higher net additions of customers at 49 K led by focus on acquiring high speed and high value customers which also resulted in ARPU enhancement along with superior customer experience.

ARPU for the quarter increased by Rs 34 to Rs 944 with customers opting for higher speed / bundle plans. This has also resulted in increase of non-voice revenue as a % to total Telemedia revenues to 59.1% in the current quarter as compared to 52.4% in the corresponding quarter last year.

For the quarter ended September 30, 2013, the revenues from Telemedia operations stood at Rs 9,757 Mn, a growth of 9.1% over the corresponding quarter last year. EBITDA for the quarter was Rs 3,617 Mn compared to Rs 3,699 Mn in the corresponding quarter last year. EBITDA margin for

this segment was 37.1% during the quarter. EBIT for quarter ended September 30, 2013 was Rs 1,404 Mn as compared to Rs 1,794 Mn in the corresponding quarter last year.

During the quarter ended September 30, 2013, the Company incurred a capital expenditure of Rs 810 Mn in Telemedia Services. The operating free cash flow during the quarter was stable at Rs 2,807 Mn as compared to the corresponding quarter last year.

5.3.3.3 Digital TV Services

As on September 30, 2013, the Company had its Digital TV operations in 639 districts with 8.6 Mn customers, an increase of 15.0% as compared to corresponding quarter last year. Digitization drive across 38 cities after 4 metro cities of the country continues to contribute towards the increase in customer base.

Net customer additions for Digital TV during the quarter increased to 120K as compared to 55K in the corresponding quarter last year. ARPU increased by Rs 21, to an all-time high of Rs 198, compared to the corresponding quarter last year.

During the quarter ended September 30, 2013, revenues from Digital TV services represented a strong growth of 28.8% to Rs 5,072 Mn as compared to Rs 3,937 Mn in the corresponding quarter last year. Riding on strong operational efficiency and improved realisation, EBITDA for the quarter increased to Rs 645 Mn as compared to Rs 33 Mn in the corresponding quarter last year. EBITDA margin improved significantly to 12.7% in the current quarter, as compared to a margin of 0.8% in the corresponding quarter last year.

During the current quarter, the Company incurred a capital expenditure of Rs 1,042 Mn in Digital TV Services, which included the impact of the depreciating Rupee on the import bill. The cash burn during the quarter is an all-time low of Rs 397 Mn.

5.3.4 B2B Services – India: Airtel Business

Revenues for the quarter ended September 30, 2013, represented a significant growth of 20.8% to Rs 16,825 Mn as compared to Rs 13,934 Mn in the corresponding quarter last year. Revenues from this segment contributed to 12.0% of the total revenues of India. EBITDA had a strong growth of 57.7% during the quarter to Rs 3,243 Mn as compared to Rs 2,056 Mn in the corresponding quarter last year. EBITDA margin improved during the quarter to 19.3% as compared to 14.8% in the corresponding quarter last year. Growth in EBITDA is primarily on account of higher revenues, rate improvements, better opex efficiency and depreciating Indian rupee. EBIT for the current quarter was Rs 1,844 Mn as compared to Rs 670 Mn for the corresponding quarter last year, representing robust growth of 175.3%.

The Company incurred a capital expenditure of Rs 142 Mn in Airtel Business. Operating free cash flow during the quarter was Rs 3,101 Mn as compared to Rs 1,598 Mn in the corresponding quarter last year, a significant increase of 94.0%. The improved profitability and cash flow of this segment reflect the benefits of integrated telecom play and low incremental capex spend.

5.3.5 Tower Infrastructure Services

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

Revenues from Tower Infrastructure Services for the quarter ended September 30, 2013 was Rs 12,602 Mn from Rs 12,173 Mn in the corresponding quarter last year, a growth of 3.5%. EBITDA during the quarter was Rs 5,421 Mn compared to Rs 5,428 Mn in the corresponding quarter last year. EBITDA margin has dropped from 44.6% to 43.0%. EBIT for the quarter at Rs 2,722 Mn has grown by 69.1%, as compared to Rs 1,610 Mn in the corresponding quarter last year. EBIT margin grew to 21.6% from 13.2% in the corresponding quarter last year. Consequent to the Court approved merger of Bharti Infratel Ventures Ltd., an erstwhile subsidiary of BIL, with ITL effective June 10, 2013, the IRU related incomes and expenses do not accrue, resulting in the segment's revenue, EBITDA and EBIT for the quarter being lower by Rs 1,217 Mn, Rs 1,154 Mn and Rs 89 Mn respectively, compared to the corresponding quarter last year.

This business incurred a capital expenditure of Rs 1,193 Mn during the quarter. Operating free cash flows during the quarter were Rs 4,228 Mn, representing growth of 66.1% from the corresponding quarter last year. The Company's share of the profits of ITL during the quarter came in at Rs 1,322 Mn, compared to Rs 1,058 Mn in the corresponding quarter last year.

As at the end of the quarter, BIL had 35,376 towers with average sharing factor of 1.84 times. Including proportionate share of ITL in which BIL holds 42%, on a consolidated basis, BIL had 82,476 towers with an average sharing factor of 1.93 times.

5.3.6 International Operations

International represents operations across Africa and South Asia (Sri Lanka and Bangladesh). The financials for the quarter ended September 30, 2013 include the full quarter impact of the Warid-Uganda acquisition and 100% consolidation of the Bangladesh operations.

Revenue from international operations for the quarter ended September 30, 2013 was \$ 1,191 Mn with a growth of 3.6% over the corresponding quarter last year. EBITDA during the quarter ended September 30, 2013 was \$ 306 Mn, an increase of 5.0% as compared to corresponding quarter last year. EBIT increased by 7.2% to \$ 58 Mn as compared to \$ 55 Mn in the corresponding quarter last year.

The overall wireless market in our basket of 19 countries has grown at a CAGR of 9.3% over the last 3 years in local currency terms. Currency depreciation in weighted average terms was 2.5% per annum, a modest figure during a period which has seen turbulence in the forex markets. The currency adjusted market growth came in at 6.6%. In this context, Airtel's reported CAGR of 9.9% in the same period has been well ahead of market growth. Fourteen of these countries have reported double digit growths.

5.3.6.1 Africa

After a muted period of nine months, marked by regulatory changes, political unrest and pricing pressures, the telecom market in Africa saw a positive uplift in the quarter ended September 30, 2013. The key operating indicators such as customer net adds, voice & data traffic, price realization and smartphone penetration, are all witnessing steady improvement. The Company is at the forefront leading the market development on these fronts.

As on September 30, 2013, the Company had an aggregate customer base of 66.4 Mn. During the quarter, the Company launched 'Africa Connect' an integrated fiber and satellite network which it expects to contribute to the growth of

internet and data service. Our brand affinity and awareness was boosted by the third season of the Airtel Rising Star football tournament. This tournament is now the largest of its kind in Africa, with 400,000 boys and girls participating across 17 countries. Other brand activities included the Pan African sponsorship of the Big Brother reality show and continued communication of the One Airtel roaming proposition across all markets in Africa.

Total minutes on network for the quarter for Africa operations were 27.8 Bn as compared to 23.6 Bn in the corresponding quarter last year, reflecting a growth of 17.8%. Voice usage per customer also increased to 143 minutes as compared to 138 minutes in the corresponding quarter last year. Impact of competitive pressures is witnessed in voice realization which is now at 3.30 ¢ per minute, compared to 4.03 ¢ in the corresponding period last year.

Data has been registering a steady growth quarter after quarter. As a result of marketing and other initiatives, data penetration has increased to 26.4% of the total customer base from 23.8% in the corresponding quarter last year, with the data customer base growing from 13.9 Mn to 17.5 Mn. Data traffic has registered a strong growth of 96.5% Y-o-Y, from 2.1 Bn MBs in Q2'13 to 4.2 Bn MBs in Q2'14. This has been led by an increase in data usage per customer to 84.7 MBs from 56.2 MBs in the corresponding quarter last year. Data realization has been stable at 1.74 ¢ per MB over the last year. Consequently, data ARPU has increased to \$ 1.47 in the current quarter as compared to \$ 1.01 in the corresponding quarter last year, representing a growth of 45.8%.

Airtel's m-commerce offering under *Airtel Money* is now present across all 17 countries in Africa. The Company views this as a medium to enrich the lives of people and to ease out the hardships faced by the unbanked population. In order to gain faster and wider acceptability, the Company has taken initiatives to educate customers and create an awareness of the service by using a comic character *Mr. Money*.

The total customer base using the *Airtel Money* platform increased by 35.4% to 1.8 Mn as compared to 1.3 Mn on a sequential quarter basis. The total number of transactions jumped by 70.2% on a sequential quarter basis to 44.2 Mn in the current quarter as compared to 26.0 Mn in the previous quarter, representing more frequent usage of the service. Total value of transactions conducted using this platform was \$ 867 Mn as compared to \$ 448 Mn, representing an increase of 93.6% on a Q-o-Q basis. Average value per transaction was \$ 19.63, which indicates that the customer is seeing *Airtel Money* as a reliable service.

The Company had 17,444 network sites by the end of the quarter as compared to 15,979 network sites in the corresponding quarter last year, an increase of 9.2%. 3G sites at 6,237 represented 35.8% of the total sites as at the end of the quarter.

The regulatory environment was marked by implementation of KYC norms in several countries. The Company has been in the fore-front of KYC implementation through robust processes, training and automation. While KYC compliance has been sustained at high standards, the implementation period has seen some temporary impact on revenues, especially in Nigeria. Further, in Nigeria, emergency continued in the state of Borno while it was lifted in the states of Yobe and Adamawa. As reported last quarter, there has been downward revision in inter-connect rates in several countries in Africa.

As a result, the reported revenue for the quarter ended September 30, 2013, was \$ 1,119 Mn as compared to \$ 1,097 Mn in the corresponding quarter last year, representing a growth of 2.0%. Net revenue grew by 6.1% from \$ 881 Mn in the corresponding quarter last year to \$ 934 Mn in the current quarter. Mobile data revenue grew by a significant 85.1% Y-o-Y, from \$ 40 Mn in the corresponding quarter last year to \$ 73 Mn in the current quarter. Mobile Data now represents 6.6% of the total mobile revenues as compared to 3.6% in the corresponding quarter last year.

Opex during the quarter was higher by 6.3% to \$ 570 Mn compared to \$536 Mn in the corresponding quarter last year. The increase in opex is on account of higher network operating costs due to incremental 1,465 2G and 890 3G sites installed during the period; and increase in fuel prices; and higher employee costs due to salary increments and employee exit costs. EBITDA for the quarter increased by 1.0% in the current quarter to \$ 301 Mn as compared to \$ 298 Mn in the corresponding quarter last year. EBIT for the quarter was \$ 75 Mn as compared to \$ 80 Mn in the corresponding quarter last year.

Capital expenditure of \$ 154 Mn for African operations during the quarter was mostly directed towards voice and data capacity up-gradation in existing 2G & 3G sites, improving fiber connectivity across countries, quality upgradation and replacement items. The operating free cash flows stood at \$ 147 Mn, representing Y-o-Y increase of 68.6%.

5.3.6.2 South Asia

As on September 30, 2013, the Company had 8.3 Mn GSM mobile customers on its network. Minutes of usage for the quarter were 10.7 Bn minutes as compared to 8.9 Bn in the corresponding quarter last year, representing an increase of 20.6%. Voice ARPU also increased by \$ 0.34 to \$ 2.52 per month from \$ 2.17 per month in the corresponding quarter last year as voice usage per customer grew by 16 mins per month to 436 mins per month; also, voice realization increased to \$ 0.58 from \$ 0.52 in the corresponding quarter last year.

Data customers represented 28.5% of the of the customer base in the current quarter consuming a total of 1.3 Bn MBs on the network during the quarter as compared to 0.8 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was 183.8 MBs per month, a growth of 38.9% as compared to 132.3 MBs in the corresponding quarter last year. Consequently data revenue grew 30.3% Y-o-Y to \$ 3.9 Mn during the quarter. This is however, only a beginning especially in Bangladesh where the Company will be launching 3G services in the coming quarter. With a population of 173 Mn and a median age of around 24 years, Bangladesh is poised for an internet revolution in the coming year(s).

Revenue from operations in South Asia stood at \$ 72 Mn for the quarter ended September 30, 2013, an increase of 35.7% as compared to \$53 Mn in the corresponding quarter last year. EBITDA for the quarter was positive \$ 4.2 Mn as compared to an EBITDA loss of \$ 6.6 Mn in the corresponding quarter last year. EBIT losses during the quarter reduced to \$ 16.7 Mn as compared to \$ 25.5 Mn in the corresponding quarter last year. During the quarter ended September 30, 2013, the Company incurred capital expenditure of \$ 21.1 Mn for South Asian operations. Consequently, cash burn was low at \$ 17 Mn as compared to \$ 30 Mn in the corresponding quarter last year.

5.4 Bharti's Three Line Graph

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

The parameters considered for the three-line graph are:

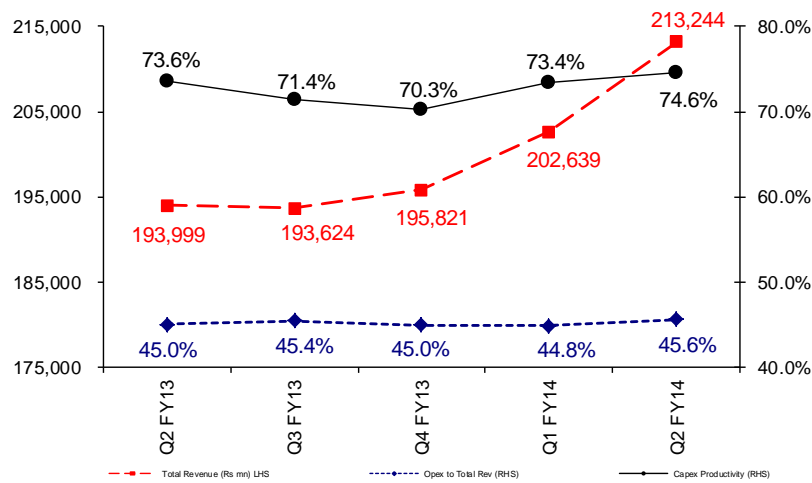
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – this is computed by dividing operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs (ii) network operations costs and (iii)

selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company

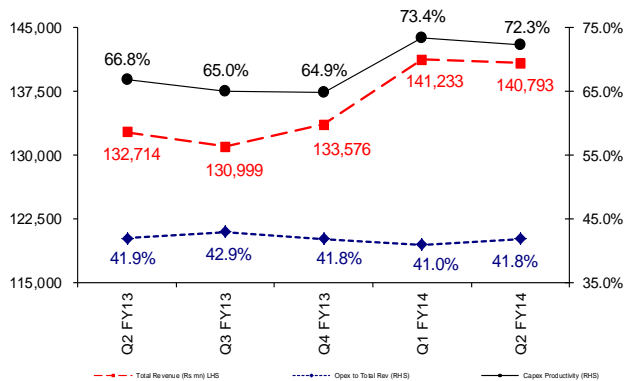
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

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

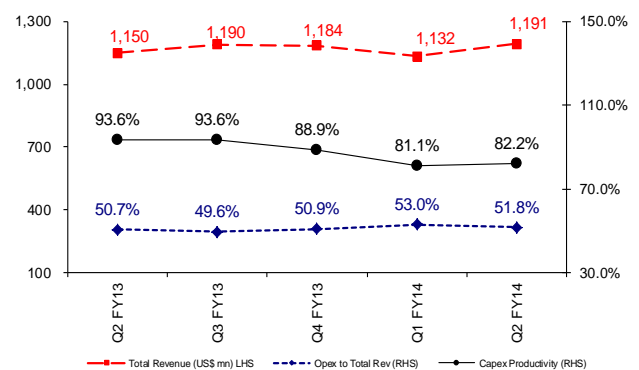
5.4.1 Bharti Airtel Consolidated



5.4.2 Bharti Airtel - India



5.4.3 Bharti Airtel – International



SECTION 6

STOCK MARKET HIGHLIGHTS

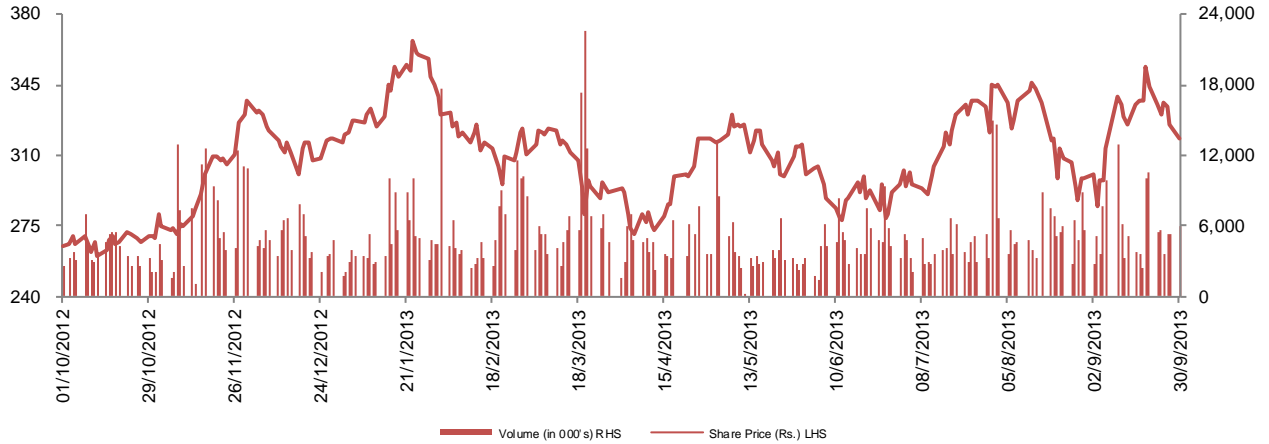
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (30/09/13)	Mn Nos	3,997.40
Closing Market Price - BSE (30/09/13)	Rs /Share	318.25
Combined Volume (NSE & BSE) (01/10/12 - 30/09/13)	Nos in Mn/day	5.25
Combined Value (NSE & BSE) (01/10/12 - 30/09/13)	Rs bn /day	1.63
Market Capitalization	Rs bn	1,272
Market Capitalization	US\$ bn	20.26
Book Value Per Equity Share	Rs /share	147.03
Market Price/Book Value	Times	2.16
Enterprise Value	Rs bn	1,881
Enterprise Value	US\$ bn	29.96
Enterprise Value/ EBITDA (LTM)	Times	7.46
P/E Ratio (LTM)	Times	61.53

6.2 Summarized Shareholding pattern as of September 30, 2013

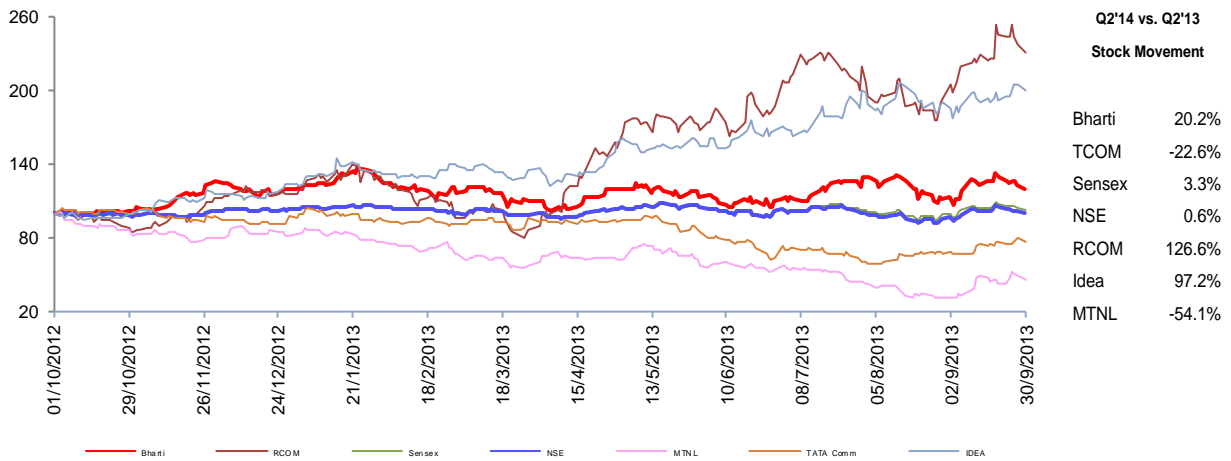
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,741,830,892	43.57%
Foreign	865,673,286	21.66%
Sub total	2,607,504,178	65.23%
Public Shareholding		
Institutions	989,850,693	24.76%
Non-institutions	400,045,231	10.01%
Sub total	1,389,895,924	34.77%
Total	3,997,400,102	100.00%

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



Source: Bloomberg

6.4 Comparison of Domestic Telecom Stock movement with Sensex and Nifty



Source: Bloomberg

SECTION 7

DETAILED FINANCIAL AND RELATED INFORMATION

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

7.1.1 Consolidated Statement of Income

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Revenue	213,244	193,999	10%	415,883	379,600	10%
Other operating income	184	86	114%	540	190	184%
Operating expenses	(145,107)	(134,716)	8%	(282,653)	(265,565)	6%
Depreciation & amortisation	(39,394)	(36,891)	7%	(77,864)	(72,792)	7%
Profit / (Loss) from operations	28,927	22,478	29%	55,906	41,433	35%
Share of results of Joint Ventures / Associates	1,652	982		2,474	1,688	
Profit / (Loss) before interest and tax	30,579	23,460	30%	58,380	43,121	35%
Finance income	846	3,431	-75%	2,525	5,093	-50%
Finance costs	(16,957)	(12,681)	34%	(30,312)	(21,710)	40%
Exceptional (expenses) / income, net	(819)	0		1,433	0	
Profit / (Loss) before tax	13,649	14,210	-4%	32,026	26,504	21%
Income tax income / (expense)	(8,634)	(7,195)	20%	(18,318)	(11,738)	56%
Net income / (loss) for the period	5,015	7,015	-29%	13,708	14,766	-7%
Income Attributable to :						
Equity holders of the parent	5,120	7,212	-29%	12,009	14,834	-19%
Non controlling interests	(105)	(197)	-47%	1,699	(68)	-2599%
Net Income / (Loss)	5,015	7,015	-29%	13,708	14,766	-7%
Earning Per Share						
Basic, profit attributable to equity holders of parent (In Rs)	1.28	1.90		3.07	3.91	
Diluted, profit attributable to equity holders of parent (In Rs)	1.28	1.90		3.07	3.91	

7.1.2 Consolidated Statement of Comprehensive Income

Particulars	Quarter Ended			Half Year Ended		
	Sep-13	Sep-12	Y-on-Y Growth	Sep-13	Sep-12	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Net income / (loss) for the period	5,015	7,015	-29%	13,708	14,766	-7%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	9,895	(3,996)	348%	21,309	(22,706)	-194%
Income tax effect	0	0		(150)	0	
	9,895	(3,996)	348%	21,158	(22,706)	-193%
Items that will not be reclassified to profit or loss:						
Actuarial gains/(losses) on defined benefit plans	(20)	0		(170)	0	
Income tax effect	7	0		32	0	
	(13)	0		(138)	0	
Other comprehensive income / (loss) for the period, net of tax	9,882	(3,996)	347%	21,020	(22,706)	-193%
Total comprehensive income / (loss) for the period, net of tax	14,897	3,019	-394%	34,728	(7,940)	-537%
Total comprehensive income / (loss) attributable to :						
Equity holders of the parent	15,244	3,041	-401%	33,658	(8,019)	-520%
Non controlling interests	(347)	(22)	1482%	1,070	79	1246%
Total Comprehensive Income / (Loss)	14,897	3,019	-393%	34,728	(7,940)	-537%

7.1.3 Consolidated Statement of Financial Position

Amount in Rs mn

Particulars	As at Sep 30, 2013	As at Sep 30, 2012	As at Mar 31, 2013 ³⁹
Assets			
Non-current assets			
Property, plant and equipment	615,313	637,938	638,277
Intangible assets	786,013	647,559	648,386
Investment in joint ventures / associates	56,224	9,485	11,552
Investment (non-current)	35,647	-	-
Derivative financial assets	4,140	3,327	3,566
Other financial assets	14,926	15,380	16,326
Other non - financial assets	23,267	15,337	18,749
Deferred tax asset	66,039	55,697	58,491
	1,601,569	1,384,723	1,395,347
Current assets			
Inventories	1,662	1,354	1,109
Trade and other receivable	52,474	82,424	67,824
Derivative financial assets	1,768	1,606	1,097
Prepayments and other assets	33,599	35,366	30,860
Income tax recoverable	6,404	5,703	10,093
Short term investments	58,229	16,288	65,546
Other financial assets	6,723	1,079	4,299
Cash and cash equivalents	30,819	14,981	16,078
	191,678	158,801	196,906
Total assets	1,793,247	1,543,524	1,592,253
Equity and liabilities			
Equity			
Issued capital	19,987	18,988	18,988
Treasury shares	(478)	(779)	(674)
Share premium	123,456	56,499	56,499
Retained earnings / (deficit)	421,459	406,104	414,027
Foreign currency translation reserve	(10,783)	(28,879)	(32,571)
Other components of equity	34,115	41,137	46,948
Equity attributable to equity holders of parent	587,756	493,070	503,217
Non-controlling interest	41,265	26,752	40,886
Total equity	629,021	519,822	544,103
Non-current liabilities			
Borrowing	562,929	532,766	569,137
Deferred revenue	12,508	9,133	9,685
Provisions	9,234	7,688	9,744
Derivative financial liabilities	5,308	593	893
Deferred tax liability	14,572	11,322	12,556
Other financial liabilities	21,718	25,077	23,204
Other non - financial liabilities	2,441	2,384	2,384
	628,710	588,963	627,603
Current liabilities			
Borrowing	181,508	110,516	98,226
Deferred revenue	44,584	36,278	39,560
Provisions	1,895	1,671	1,768
Other non - financial liabilities	20,095	15,079	13,245
Derivative financial liabilities	1,381	499	219
Income tax liabilities	7,960	5,366	7,627
Trade & other payables	278,093	265,330	259,902
	535,516	434,739	420,547
Total liabilities	1,164,226	1,023,702	1,048,150
Total equity and liabilities	1,793,247	1,543,524	1,592,253

7.1.4 Consolidated Statement of Cash Flows

Amount in Rs mn

Particulars	Quarter Ended		Half Year Ended	
	Sep 30, 2013	Sep 30, 2012	Sep 30, 2013	Sep 30, 2012
Cash flows from operating activities				
Profit before tax	13,649	14,210	32,026	26,505
Adjustments for -				
Depreciation and amortization	39,394	36,892	77,864	72,794
Finance income	(846)	(3,431)	(2,525)	(5,093)
Finance cost	16,957	12,681	30,312	21,710
Share of results of Joint ventures / associates	(1,652)	(982)	(2,474)	(1,688)
Exceptional items	-	0	(2,252)	0
Amortization of stock based compensation	(85)	24	(116)	114
Other non-cash items	(45)	220	(324)	301
Operating cash flow before changes in assets and liabilities	67,372	59,614	132,511	114,643
Trade & other receivables and prepayments	5,217	(9,895)	11,442	(21,842)
Inventories	(63)	(53)	(332)	(19)
Trade and other payables	(4,334)	6,255	29,240	32,196
Change in provision	477	289	2,757	890
Other financial and non financial liabilities	589	(245)	2,141	253
Other financial and non financial assets	31,659	1,788	(2,403)	3,314
Cash generated from operations	100,917	57,753	175,356	129,435
Interest received	360	567	1,838	633
Dividend received	0	4,050	2,200	4,050
Income tax paid	(9,168)	(9,086)	(14,642)	(15,666)
Net cash inflow from operating activities	92,109	53,284	164,752	118,452
Cash flows from investing activities				
Purchase of property, plant and equipment	(27,645)	(32,741)	(73,633)	(60,173)
Proceeds from sale of property, plant and equipment ¹⁶	(2,005)	310	3,772	589
Purchase of intangible assets	(4,831)	(981)	(6,469)	(2,125)
Short term investments (Net)	20,266	11,343	(27,381)	187
Purchase of non-current investments	(2,500)	0	(2,500)	0
Investment in subsidiary, net of cash acquired ¹⁵	(747)	0	(3,675)	0
Demerger of subsidiary	0	0	(8,009)	0
Investment in associate / joint venture	-	0	-	(9,281)
Loan to associates	(30,505)	(40)	(30,219)	(100)
Net cash outflow from investing activities	(47,967)	(22,109)	(148,114)	(70,903)
Cash flows from financing activities				
Proceeds from issuance of borrowings	22,853	22,660	100,446	118,093
Repayment of borrowings	(65,228)	(49,302)	(149,926)	(146,628)
Short term borrowings (net)	4,843	(345)	4,843	(2,640)
Purchase of Treasury stock	-	(762)	-	(762)
Interest paid	(10,192)	(7,553)	(20,149)	(17,157)
Proceeds from exercise of stock options	13	33	26	44
Dividend paid (including tax) to Company's shareholders	(4,439)	(4,412)	(4,439)	(4,412)
Dividend paid (including tax) to non - controlling interests	(1,772)	(928)	(1,904)	(1,029)
Proceeds from issuance of equity shares to institutional investor	0	0	67,956	0
Payment of long term liability / acquisition of non-controlling interest	0	0	(3,828)	0
Net cash inflow / (outflow) from financing activities	(53,922)	(40,609)	(6,975)	(54,491)
Net (decrease) / increase in cash and cash equivalents during the period	(9,780)	(9,434)	9,663	(6,942)
Effect of exchange rate changes on cash and cash equivalents	(826)	1,669	(910)	(762)
Add : Balance as at the beginning of the period	20,671	7,713	1,312	7,652
Balance as at the end of the period	10,065	(52)	10,065	(52)

Note 14: Cash and Cash Equivalents is excluding bank overdraft.

Note 15: Investment in subsidiary includes acquisition of additional 42.45% stake in Wireless Business Services Private Limited, which holds BWA Spectrum in the Indian telecom circles of Mumbai, Delhi, Haryana and Kerala.

Note 16: Reclassification adjustment relating to quarter ended June 30, 2013, between Purchases of property, plant and equipment and proceeds from sale of property, plant and equipment.

7.2 Schedules to Financial Statements

7.2.1 India

7.2.1.1 Schedule of Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Access charges	17,780	20,068	36,920	36,669
Licence fees, revenue share & spectrum charges	15,152	13,559	29,968	27,130
Network operations costs	35,299	31,149	69,498	61,711
Cost of goods sold	166	228	480	444
Employee costs	5,493	4,757	11,081	9,370
Selling, general and administration expense	18,113	19,703	36,166	40,434
Operating Expenses	92,003	89,465	184,114	175,758

7.2.1.2 Schedule of Depreciation & Amortization

Amount in Rs mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Depreciation	20,635	20,797	42,514	41,339
Amortization	3,233	3,040	6,417	5,904
Depreciation and Amortization	23,868	23,837	48,931	47,243

Note 17: Depreciation and Amortization reported above for the quarter ended and half year ended September 30, 2013, excludes the impact of exceptional items.

7.2.1.3 Schedule of Income Tax

Amount in Rs mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Current tax expense	4,754	4,499	10,048	9,874
Deferred tax expense / (income)	(60)	1,168	(682)	(839)
Dividend distribution tax	179	657	179	657
Income tax expense	4,873	6,324	9,545	9,692

Note 18: Income tax expense reported above for the quarter ended and half year ended September 30, 2013, excludes the impact of exceptional items.

7.2.2 Africa

7.2.2.1 Schedule of Operating Expenses

Amount in US\$ mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Access charges	174	193	331	399
Licence fees, revenue share & spectrum charges	63	47	117	92
Network operations costs	202	181	405	369
Cost of goods sold	11	23	31	43
Employee costs	105	90	200	170
Selling, general and administration expense	263	265	516	518
Operating Expenses	818	799	1,600	1,591

7.2.2.2 Schedule of Depreciation & Amortization

Amount in US\$ mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Depreciation	181	153	352	302
Amortization	45	65	93	129
Depreciation and Amortization	226	218	445	431

Note 19: Depreciation and Amortization reported above for the quarter ended and half year ended September 30, 2013, excludes the impact of exceptional items.

7.2.2.3 Schedule of Income Tax

Amount in US\$ mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Current tax expense	42	33	91	69
Withholding taxes (WHT)	18	8	43	17
Deferred tax expense / (income)	3	(26)	(3)	(50)
Income tax expense	63	15	131	36

Note 20: Income tax expense reported above for the quarter ended and half year ended September 30, 2013, excludes the impact of exceptional items.

7.2.3 South Asia

7.2.3.1 Schedule of Operating Expenses

Amount in US\$ mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Access charges	13	7	24	14
Licence fees, revenue share & spectrum charges	7	6	14	11
Network operations costs	20	20	41	38
Cost of goods sold	1	0	2	2
Employee costs	6	5	11	9
Selling, general and administration expense	21	22	43	47
Operating Expenses	68	60	135	121

7.2.3.2 Schedule of Depreciation & Amortization

Amount in US\$ mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Depreciation	19	17	38	33
Amortization	2	2	4	4
Depreciation and Amortization	21	19	42	37

7.3 Consolidated Schedule of Net Debt & Finance Cost

7.3.1 Schedule of Net Debt in INR

Particulars	<i>Amount in Rs mn</i>		
	As at Sep 30, 2013	As at Sep 30, 2012	As at Mar 31, 2013
Long term debt, net of current portion	562,929	532,766	569,137
Short-term borrowings and current portion of long-term debt	181,508	110,516	98,226
Less:			
Cash and Cash Equivalents	30,819	14,981	16,078
Restricted Cash	6,723	1,234	4,299
Restricted Cash, non-current	4,248	253	157
Investments	93,876	16,288	65,546
Net Debt	608,771	610,526	581,283

7.3.2 Schedule of Net Debt in US\$

Particulars	<i>Amount in US \$ mn</i>		
	As at Sep 30, 2013	As at Sep 30, 2012	As at Mar 31, 2013
Long term debt, net of current portion	8,967	10,110	10,464
Short-term borrowings and current portion of long-term debt	2,891	2,097	1,806
Less:			
Cash and Cash Equivalents	491	284	296
Restricted Cash	107	23	79
Restricted Cash, non-current	68	5	3
Investments	1,495	309	1,205
Net Debt	9,697	11,586	10,687

7.3.3 Schedule of Finance Cost

Particulars	<i>Amount in Rs mn</i>			
	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Interest on borrowings & Finance charges	10,608	10,402	21,023	20,200
Derivatives and exchange (gain)/ loss	3,419	250	8,758	(1,356)
Investment (income)/ loss	2,084	(1,402)	(1,993)	(2,227)
Finance cost (net)	16,111	9,250	27,788	16,617

7.4 Use of Non-GAAP Financial Information

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

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

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit / (Loss) from Operating Activities	Page 35
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit / (Loss) from Operating Activities	Page 35
Capex	NA	NA
Operating Free Cash flow	NA	NA
Cumulative investments	NA	NA

7.4.1 Reconciliation of Non-GAAP financial information based on IFRS

Amount in Rs mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
Profit / (Loss) from Operating Activities To EBITDA				
Profit / (Loss) from Operating Activities	28,927	22,478	55,906	41,433
Add: Depreciation and Amortization	39,394	36,891	77,864	72,792
EBITDA	68,321	59,369	133,770	114,225

Reconciliation of Finance Cost				
Finance Cost	16,957	12,681	30,313	21,710
Finance Income	(846)	(3,431)	(2,525)	(5,093)
Finance Cost (net)	16,111	9,250	27,788	16,617

Profit / (Loss) from Operating Activities to Cash Profit from Operations before Derivative & Exchange Fluctuation				
Profit / (Loss) from Operating Activities	28,927	22,478	55,906	41,433
Add: Depreciation and Amortization	39,394	36,891	77,864	72,792
Less: Finance Cost (net)	16,111	9,250	27,788	16,617
Add: Derivatives and exchange (gain)/loss	3,419	250	8,758	(1,356)
Cash Profit from Operations before Derivative & Exchange Fluctuation	55,629	50,370	114,740	96,252

Section 8

TRENDS AND RATIO ANALYSIS

8.1 Based on Statement of Operations

Consolidated

Amount in Rs mn

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Total Revenues	213,244	202,639	195,821	193,624	193,999
Access charges	27,475	26,961	27,500	29,156	29,526
Cost of goods sold	897	1,497	2,825	2,137	1,451
Net revenue	184,872	174,181	165,496	162,331	163,021
Operating Expenses (excluding access charges, cost of goods sold & license fee)	97,170	90,869	88,061	87,931	87,271
Licence Fee	19,565	18,219	16,933	16,785	16,468
EBITDA	68,321	65,449	60,605	57,749	59,369
Cash profit from operations before Derivative and Exchange Fluctuations	55,629	59,113	51,475	47,914	50,370
EBIT	28,927	26,979	22,601	20,399	22,478
Share of results of Joint Ventures/Associates	1,652	822	875	943	982
Profit before tax	14,468	16,125	12,318	9,032	14,210
Net income	5,120	6,889	5,086	2,837	7,212
Capex	21,391	22,954	32,878	22,132	37,752
Operating Free Cash Flow (EBITDA - Capex)	46,930	42,495	27,727	35,617	21,618
Cumulative Investments	2,094,302	2,010,123	1,861,643	1,837,905	1,785,567

	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
As a % of Total Revenues					
Access charges	12.9%	13.3%	14.0%	15.1%	15.2%
Cost of goods sold	0.4%	0.7%	1.4%	1.1%	0.7%
Net revenue	86.7%	86.0%	84.5%	83.8%	84.0%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	45.6%	44.8%	45.0%	45.4%	45.0%
Licence Fee	9.2%	9.0%	8.6%	8.7%	8.5%
EBITDA	32.0%	32.3%	30.9%	29.8%	30.6%
Cash profit from operations before Derivative and Exchange Fluctuations	26.1%	29.2%	26.3%	24.7%	26.0%
EBIT	13.6%	13.3%	11.5%	10.5%	11.6%
Share of results of JV / Associates	0.8%	0.4%	0.4%	0.5%	0.5%
Profit before tax	6.8%	8.0%	6.3%	4.7%	7.3%
Net income	2.4%	3.4%	2.6%	1.5%	3.7%

Refer Note 5, 6, on page 6

India

Amount in Rs mn

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Total Revenues	140,793	141,233	133,576	130,999	132,714
Access charges	17,780	19,141	18,338	19,622	20,068
Cost of goods sold	166	314	406	314	229
Net revenue	122,847	121,778	114,832	111,063	112,417
Operating Expenses (excluding access charges, cost of goods sold & license fee)	58,905	57,840	55,863	56,237	55,609
Licence Fee	15,152	14,816	13,828	13,486	13,559
EBITDA	49,053	49,316	45,238	41,452	43,323
EBIT	25,184	24,253	20,353	17,175	19,487
Profit before tax	19,374	20,785	18,320	13,501	20,830
Net income (before exceptional items)	14,010	14,788	10,846	8,864	13,878
Capex	10,429	12,800	18,794	13,002	24,905
Operating Free Cash Flow (EBITDA - Capex)	38,624	36,517	26,443	28,450	18,419
Cumulative Investments	1,140,587	1,127,138	1,081,133	1,060,504	1,047,435

	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
As a % of Total Revenues					
Access charges	12.6%	13.6%	13.7%	15.0%	15.1%
Cost of goods sold	0.1%	0.2%	0.3%	0.2%	0.2%
Net revenue	87.3%	86.2%	86.0%	84.8%	84.7%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	41.8%	41.0%	41.8%	42.9%	41.9%
Licence Fee	10.8%	10.5%	10.4%	10.3%	10.2%
EBITDA	34.8%	34.9%	33.9%	31.6%	32.6%
EBIT	17.9%	17.2%	15.2%	13.1%	14.7%
Profit before tax	13.8%	14.7%	13.7%	10.3%	15.7%
Net income	10.0%	10.5%	8.1%	6.8%	10.5%

Refer Note 7 on page 7

International – Comprises of Africa and South Asia

In INR:

Amount in Rs mn

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Total Revenues	74,795	63,222	64,099	64,775	63,450
Access charges	11,736	9,386	10,606	11,323	11,082
Cost of goods sold	738	1,183	2,419	1,823	1,266
Net revenue	62,321	52,653	51,073	51,629	51,103
Operating Expenses (excluding access charges, cost of goods sold & license fee)	38,677	33,392	32,636	32,073	32,179
Licence Fee	4,413	3,403	3,105	3,299	2,909
EBITDA	19,268	16,063	15,358	16,297	16,046
EBIT	3,742	2,656	2,238	3,223	2,990
Profit before tax	(4,263)	(3,996)	(6,011)	(4,469)	(6,620)
Net income (before exceptional items)	(7,904)	(7,034)	(5,768)	(6,028)	(6,665)
Capex	10,962	10,155	14,084	9,130	12,847
Operating Free Cash Flow (EBITDA - Capex)	8,306	5,908	1,274	7,167	3,199
Cumulative Investments	953,715	882,985	780,510	777,401	738,132
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
As a % of Total Revenues					
Access charges	15.7%	14.8%	16.5%	17.5%	17.5%
Cost of goods sold	1.0%	1.9%	3.8%	2.8%	2.0%
Net revenue	83.3%	83.3%	79.7%	79.7%	80.5%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	51.7%	52.8%	50.9%	49.5%	50.7%
Licence Fee	5.9%	5.4%	4.8%	5.1%	4.6%
EBITDA	25.8%	25.4%	24.0%	25.2%	25.3%
EBIT	5.0%	4.2%	3.5%	5.0%	4.7%
Profit before tax	-5.7%	-6.3%	-9.4%	-6.9%	-10.4%
Net income	-10.6%	-11.1%	-9.0%	-9.3%	-10.5%

In USD:

Amount in US \$ mn

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Total Revenues	1,191	1,132	1,184	1,190	1,150
Access charges	187	167	196	208	201
Cost of goods sold	12	21	45	34	23
Net revenue	992	944	944	949	926
Operating Expenses (excluding access charges, cost of goods sold & license fee)	617	600	603	590	583
Licence Fee	70	61	57	61	53
EBITDA	306	286	284	299	291
EBIT	58	46	41	58	55
Profit before tax	(69)	(73)	(111)	(83)	(120)
Net income (before exceptional items)	(126)	(126)	(107)	(112)	(120)
Capex	175	181	260	168	233
Operating Free Cash Flow (EBITDA - Capex)	131	106	23	130	58
Cumulative Investments	15,192	14,790	14,350	14,192	14,006
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
As a % of Total Revenues					
Access charges	15.7%	14.8%	16.5%	17.5%	17.5%
Cost of goods sold	1.0%	1.8%	3.8%	2.8%	2.0%
Net revenue	83.3%	83.4%	79.7%	79.7%	80.5%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	51.8%	53.0%	50.9%	49.6%	50.7%
Licence Fee	5.9%	5.4%	4.8%	5.1%	4.6%
EBITDA	25.7%	25.3%	23.9%	25.1%	25.3%
EBIT	4.9%	4.1%	3.5%	4.9%	4.7%
Profit before tax	-5.8%	-6.4%	-9.4%	-7.0%	-10.4%
Net income	-10.6%	-11.1%	-9.1%	-9.4%	-10.5%

Refer Note 7 on page 7

Africa

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Total Revenues	1,119	1,062	1,120	1,133	1,097
Access charges	174	157	186	200	193
Cost of goods sold	11	20	44	33	23
Net revenue	934	885	890	900	881
Operating Expenses (excluding access charges, cost of goods sold & license fee)	570	551	555	546	536
Licence Fee	63	54	51	55	47
EBITDA	301	283	285	300	298
EBIT	75	64	62	80	80
Profit before tax	(48)	(50)	(91)	(64)	(90)
Net income (before exceptional items)	(105)	(106)	(90)	(96)	(97)
Interest expense on acquisition loans	49	49	42	43	46
Net income from operations (before exceptional items)	(56)	(57)	(48)	(53)	(51)
Capex	154	165	235	160	210
Operating Free Cash Flow (EBITDA - Capex)	148	118	50	140	88
Cumulative Investments	14,210	13,947	13,543	13,429	13,278

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Exchange Fluctuation Impact					
Reported revenues (US \$)	1,119	1,062	1,120	1,133	1,097
a. QoQ growth (%)	5.36%	-5.22%	-1.15%	3.37%	2.84%
b. Impact of exchange fluctuation (%) ²⁰	0.02%	-0.29%	-0.34%	-0.01%	-0.75%
c. QoQ growth in constant currency (%) (a - b)	5.34%	-4.93%	-0.80%	3.38%	3.59%
Revenues in constant currency (US \$) ²¹	1,119	1,062	1,117	1,126	1,090

Note 21: Based on QoQ variation and weighted on the revenues of each country for the current quarter

Note 22: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended September 30, 2013.

	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
As a % of Total Revenues					
Access charges	15.6%	14.8%	16.6%	17.6%	17.6%
Cost of goods sold	0.9%	1.9%	3.9%	3.0%	2.1%
Net revenue	83.5%	83.3%	79.5%	79.4%	80.3%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	50.9%	51.9%	49.5%	48.2%	48.9%
Licence Fee	5.7%	5.1%	4.5%	4.8%	4.3%
EBITDA	26.9%	26.7%	25.4%	26.5%	27.2%
EBIT	6.7%	6.1%	5.5%	7.1%	7.3%
Profit before tax	-4.3%	-4.7%	-8.2%	-5.7%	-8.2%
Net income from operations	-5.0%	-5.4%	-4.3%	-4.7%	-4.6%

South Asia

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Total Revenues	72	70	64	57	53
Access charges	13	11	10	8	7
Cost of goods sold	1	1	0	0	0
Net revenue	58	58	53	49	46
Operating Expenses (excluding access charges, cost of goods sold & license fee)	47	48	48	44	47
Licence Fee	7	7	6	6	6
EBITDA	4	3	(1)	(2)	(7)
EBIT	(17)	(18)	(21)	(22)	(25)
Profit before tax	(21)	(23)	(20)	(19)	(30)
Net income (before exceptional items)	(21)	(19)	(17)	(15)	(23)
Capex	21	16	26	8	23
Operating Free Cash Flow (EBITDA - Capex)	(17)	(13)	(27)	(10)	(29)
Cumulative Investments	982	843	807	763	728

Parameters	For the Quarter Ended				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Exchange Fluctuation Impact					
Reported revenues (US \$)	72	70	64	57	53
a. QoQ growth (%)	3.18%	9.69%	12.57%	6.47%	0.72%
b. Impact of exchange fluctuation (%) ²²	0.70%	0.05%	2.51%	1.41%	-0.43%
c. QoQ growth in constant currency (%) (a - b)	2.47%	9.65%	10.07%	5.07%	1.14%
Revenues in constant currency (US \$) ²³	72	70	64	58	56

Note 23: Based on QoQ variation and weighted on the revenues of each country for the current quarter

Note 24: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended September 30, 2013.

	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
As a % of Total Revenues					
Access charges	17.3%	16.4%	15.7%	14.3%	13.6%
Cost of goods sold	1.8%	1.0%	0.7%	0.0%	0.4%
Net revenue	80.9%	82.6%	83.6%	85.7%	86.0%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	65.5%	68.7%	75.5%	78.1%	88.1%
Licence Fee	9.6%	9.8%	10.0%	10.4%	10.5%
EBITDA	5.8%	4.1%	-2.0%	-2.8%	-12.5%
EBIT	-23.2%	-25.8%	-32.5%	-38.3%	-47.9%
Profit before tax	-28.9%	-33.2%	-31.0%	-33.1%	-55.7%
Net income	-29.3%	-27.8%	-26.4%	-26.7%	-43.4%

8.2 Financial Trends of Business Operations

Mobile Services India - Comprises of Consolidated Statement of Operations of Mobile Services in India.

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Sep 2013	Jun 2013	Mar 2013	Dec 2012	Sep 2012
Total revenues	113,541	116,013	110,173	106,994	108,906
EBITDA	38,036	37,633	33,696	31,219	33,396
<i>EBITDA / Total revenues</i>	33.5%	32.4%	30.6%	29.2%	30.7%
EBIT	21,417	20,979	17,313	15,219	18,012
Capex	7,228	7,907	13,128	8,067	16,793
Operating Free Cash Flow	30,807	29,726	20,569	23,152	16,602
Cumulative Investments	796,425	788,507	730,412	716,653	709,404

Telemedia Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Sep 2013	Jun 2013	Mar 2013	Dec 2012	Sep 2012
Total revenues	9,757	9,484	9,130	8,938	8,940
EBITDA	3,617	3,764	3,783	3,735	3,699
<i>EBITDA / Total revenues</i>	37.1%	39.7%	41.4%	41.8%	41.4%
EBIT	1,404	1,439	1,866	1,767	1,794
Capex	810	660	558	745	788
Operating Free Cash Flow	2,807	3,104	3,225	2,990	2,911
Cumulative Investments	76,500	75,692	74,974	73,910	73,212

Digital TV Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Sep 2013	Jun 2013	Mar 2013	Dec 2012	Sep 2012
Total revenues	5,072	4,900	4,419	4,280	3,937
EBITDA	645	760	296	147	33
<i>EBITDA / Total revenues</i>	12.7%	15.5%	6.7%	3.4%	0.8%
EBIT	(1,473)	(1,156)	(1,784)	(1,828)	(2,228)
Capex	1,042	2,239	1,326	1,351	1,630
Operating Free Cash Flow	(397)	(1,479)	(1,030)	(1,204)	(1,598)
Cumulative Investments	43,613	42,596	40,366	39,245	37,876

Airtel Business

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Sep 2013	Jun 2013	Mar 2013	Dec 2012	Sep 2012
Total revenues	16,825	14,036	13,144	14,219	13,934
EBITDA	3,243	2,765	2,800	2,154	2,056
<i>EBITDA / Total revenues</i>	19.3%	19.7%	21.3%	15.2%	14.8%
EBIT	1,844	1,422	1,282	728	670
Capex	142	281	38	139	458
Operating Free Cash Flow	3,101	2,484	2,762	2,015	1,598
Cumulative Investments	44,719	42,886	43,136	42,806	42,268

Tower Infrastructure Services*Amount in Rs mn except ratios*

Particulars	Quarter Ended				
	Sep 2013	Jun 2013	Mar 2013	Dec 2012	Sep 2012
Total revenues	12,602	12,832	13,160	12,745	12,173
EBITDA	5,421	5,745	6,161	5,674	5,428
<i>EBITDA / Total revenues</i>	<i>43.0%</i>	<i>44.8%</i>	<i>46.8%</i>	<i>44.5%</i>	<i>44.6%</i>
EBIT	2,722	1,916	2,197	1,768	1,610
Share of results of Joint Ventures / Associates	1,322	922	952	982	1,058
Capex	1,193	1,727	3,533	2,369	2,883
Operating Free Cash Flow	4,228	4,018	2,628	3,305	2,545
Cumulative Investments	171,864	170,017	181,965	177,759	175,403

Others*Amount in Rs mn*

Particulars	Quarter Ended				
	Sep 2013	Jun 2013	Mar 2013	Dec 2012	Sep 2012
Total revenues	767	791	761	729	928
EBITDA	(698)	(321)	(511)	(481)	(378)
EBIT	(697)	(331)	(514)	(483)	(381)
Capex	50	(0)	220	330	2,353
Operating Free Cash Flow	(748)	(321)	(731)	(811)	(2,731)
Cumulative Investments	7,466	7,440	10,281	10,130	9,271

8.3 Based on Statement of Financial Position

Consolidated

Amount in Rs mn

Parameters	As at				
	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Equity attributable to equity holders of parent	587,756	575,307	503,217	516,274	493,070
Net Debt	608,771	583,806	581,283	582,176	610,526
Net Debt (US \$)	9,697	9,779	10,687	10,628	11,586
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,196,527	1,159,113	1,084,500	1,098,450	1,103,595

Parameters	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12
Return on Equity attributable to equity holders of parent (LTM)	3.7%	4.3%	4.5%	5.6%	7.1%
Return on Capital Employed (LTM)	6.3%	6.0%	5.6%	5.9%	6.0%
Net Debt to EBITDA (LTM) - US \$	2.18	2.21	2.50	2.43	2.59
Net Debt to EBITDA (Annualised) - US \$	2.23	2.09	2.39	2.50	2.69
Assets Turnover ratio (LTM)	67.8%	67.9%	68.0%	68.4%	68.6%
Interest Coverage ratio (times)	7.38	7.44	7.26	6.62	6.67
Net debt to Equity attributable to equity holders of parent (Times)	1.04	1.01	1.16	1.13	1.24
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	1.28	1.80	1.34	0.75	1.90
Net profit/(loss) per diluted share (in Rs)	1.28	1.80	1.34	0.75	1.90
Book Value Per Equity Share (in Rs)	147.0	143.9	132.5	135.9	129.8
Market Capitalization (Rs. bn)	1,272	1,165	1,108	1,203	1,006
Enterprise Value (Rs. bn)	1,881	1,749	1,689	1,785	1,616

8.4 Operational Performance – India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Customers Base	000's	205,367	202,690	199,604	193,094	196,652
Mobile Services						
Customer Base	000's	193,457	190,948	188,220	181,922	185,922
VLR	%	95.1%	95.2%	95.1%	95.0%	91.5%
Net Additions	000's	2,508	2,728	6,298	(4,000)	(1,380)
Pre-Paid (as a % of total Customer Base)	%	95.4%	95.6%	95.8%	95.8%	96.0%
Monthly Churn	%	3.2%	3.2%	3.2%	5.9%	8.5%
Average Revenue Per User (ARPU)	Rs	192	200	193	185	177
Average Revenue Per User (ARPU)	US\$	3.1	3.6	3.6	3.4	3.2
Revenue per site per month	Rs	272,979	282,406	269,531	261,900	260,380
Voice						
Minutes on the network	Mn	251,322	258,380	253,144	240,814	234,224
Voice Average Revenue Per User (ARPU)	Rs	160	166	159	153	148
Voice Usage per customer	min	437	455	455	435	417
Voice Realization per minute	paisa	36.74	36.39	35.00	35.17	35.43
Non Voice Revenue						
% of Mobile revenues	%	16.5%	17.3%	17.4%	17.3%	16.8%
Of Which						
Messaging & VAS as % of Mobile revenues	%	6.7%	8.2%	9.1%	9.9%	10.1%
Data as % of Mobile revenues	%	9.2%	7.4%	6.5%	5.7%	5.2%
Others as % of Mobile revenues	%	0.6%	1.7%	1.8%	1.7%	1.5%
Data						
Data Customer Base	000's	50,631	46,584	43,490	41,480	40,600
Of which no. of 3G data customers	000's	8,015	6,796	6,391	5,187	4,014
As % of Customer Base	%	26.2%	24.4%	23.1%	22.8%	21.8%
Total MBs on the network	Mn MBs	33,630	27,271	23,937	19,777	15,879
Data Average Revenue Per User (ARPU)	Rs	70	63	55	47	43
Data Usage per customer	MBs	231	203	187	161	133
Data Realization per MB	paisa	30.26	30.97	29.27	29.32	32.37
Telemedia Services						
Telemedia Customers	000's	3,338	3,289	3,283	3,278	3,275
Of which no. of Broadband (DSL) customers	000's	1,439	1,406	1,390	1,382	1,380
As % of Customer Base	%	43.1%	42.7%	42.3%	42.2%	42.1%
Net Additions	000's	49	6	5	4	3
Average Revenue Per User (ARPU)	Rs	944	924	906	909	910
Average Revenue Per User (ARPU)	US\$	15.1	16.5	16.7	16.7	16.5
Non Voice Revenue as % of Telemedia Revenues	%	59.1%	57.8%	55.0%	54.6%	52.4%
Digital TV						
Digital TV Customers	000's	8,572	8,452	8,100	7,894	7,455
Net additions	000's	120	352	207	439	55
Average Revenue Per User (ARPU)	Rs	198	197	184	186	177
Average Revenue Per User (ARPU)	US\$	3.2	3.5	3.4	3.4	3.2
Monthly Churn	%	1.0%	0.6%	1.1%	1.3%	1.9%

8.5 Traffic Trends – India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Mobile Services	Mn Min	251,322	258,380	253,144	240,814	234,224
Telemedia Services	Mn Min	4,209	4,137	3,988	3,958	4,156
National Long Distance Services	Mn Min	25,045	23,795	24,533	23,216	22,997
International Long Distance Services	Mn Min	3,406	2,880	3,794	4,303	4,340
Total Minutes on Network (Gross)	Mn Min	283,983	289,192	285,460	272,291	265,717
Eliminations	Mn Min	(24,631)	(24,129)	(24,855)	(23,491)	(23,282)
Total Minutes on Network (Net)	Mn Min	259,352	265,063	260,604	248,800	242,435

8.6 Network and Coverage Trends - India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Mobile Services						
Census Towns	Nos	5,121	5,121	5,121	5,121	5,121
Non-Census Towns & Villages	Nos	460,550	460,682	460,361	458,727	457,053
Population Coverage	%	86.7%	86.7%	86.7%	86.7%	86.6%
Optic Fibre Network	R Kms	175,405	173,217	171,610	166,506	162,457
Sites on Network	Nos	135,412	134,736	133,778	131,450	129,411
<i>Of which no. of 3G sites</i>	Nos	26,616	25,604	24,573	22,515	20,333
Telemedia Services						
Cities covered	Nos	87	87	87	87	87
Airtel Business						
Submarine cable systems	Nos	7	7	7	7	7
Digital TV Services						
Districts Covered	Nos	639	639	639	632	632
Coverage	%	100%	100%	100%	99%	99%

8.7 Tower Infrastructure Services

8.7.1 Bharti Infratel Standalone

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Towers	Nos	35,376	35,288	35,119	34,668	34,220
Total Co-locations	Nos	65,391	64,345	63,573	63,080	62,027
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	38,819	37,537	37,467	37,863	36,839
Average Sharing Factor	Times	1.84	1.82	1.81	1.82	1.81

Additional Information

8.7.2 Indus Towers

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Towers	Nos	112,144	111,983	111,819	111,240	110,561
Total Co-locations	Nos	225,252	223,078	221,511	222,038	219,687
Average Sharing Factor	Times	2.00	1.99	1.99	1.99	1.98

8.7.3 Bharti Infratel Consolidated

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Towers	Nos	82,476	82,321	82,083	81,389	80,656
Total Co-locations	Nos	159,997	158,038	156,608	156,336	154,296
Average Sharing Factor	Times	1.93	1.91	1.91	1.92	1.91

8.8 Human Resource Analysis - India

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Employees	Nos	19,502	20,031	20,039	16,966	15,029
Number of Customers per employee	Nos	10,531	10,119	9,961	11,381	13,085
Personnel Cost per employee per month	Rs	93,888	92,985	87,627	95,997	105,510
Gross Revenue per employee per month	Rs	2,406,470	2,350,238	2,221,941	2,573,752	2,943,508

Refer Note 13 on page 16.

8.9 Africa

8.9.1 Operational Performance

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Customer Base	000's	66,378	64,203	63,718	61,687	58,667
VLR	%	86.8%	86.7%	85.9%	86.1%	85.8%
Net Additions	000's	2,175	485	2,031	3,020	2,812
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%	99.3%	99.3%	99.3%
Monthly Churn	%	6.6%	6.7%	5.5%	5.1%	5.1%
Average Revenue Per User (ARPU)	US\$	5.7	5.5	5.9	6.2	6.4
Revenue per site per month	US\$	21,247	20,438	21,784	22,725	22,872
Voice						
Minutes on the network	Mn	27,848	25,971	23,360	26,174	23,646
Voice Average Revenue Per User (ARPU)	US\$	4.7	4.5	4.9	5.3	5.5
Voice Usage per customer	min	143	134	123	144	138
Voice Realization per minute	USc	3.30	3.38	3.95	3.68	4.03
Non Voice Revenue						
% of Mobile revenues	%	17.9%	17.4%	17.7%	15.1%	13.0%
Of Which						
Messaging & VAS as % of Mobile revenues	%	8.8%	8.7%	8.6%	7.8%	6.9%
Data as % of Mobile revenues	%	6.6%	5.4%	4.4%	3.9%	3.6%
Others as % of Mobile revenues	%	2.5%	3.3%	4.7%	3.4%	2.5%
Data						
Data Customer Base	000's	17,535	15,544	14,535	14,107	13,935
As % of Customer Base	%	26.4%	24.2%	22.8%	22.9%	23.8%
Total MBs on the network	Mn MBs	4,215	3,140	3,003	2,450	2,145
Data Average Revenue Per User (ARPU)	US\$	1.5	1.3	1.2	1.1	1.0
Data Usage per customer	MBs	84.7	70.2	73.4	58.3	56.2
Data Realization per MB	USc	1.74	1.81	1.64	1.94	1.73

8.9.2 Operational Performance (in constant currency)

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Average Revenue Per User (ARPU)	US\$	5.7	5.5	5.9	6.2	6.3
Voice Average Revenue Per User (ARPU)	US\$	4.7	4.5	4.9	5.3	5.5
Voice Realization per minute	USc	3.30	3.38	3.94	3.66	4.01

8.9.3 Network and Coverage Trends

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Sites on Network	Nos	17,444	17,345	16,653	16,371	15,979
Of which no. of 3G sites	Nos	6,237	6,201	5,676	5,527	5,347

8.9.4 Human Resource Analysis

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Employees	Nos	5,022	5,274	4,932	4,889	4,984
Number of Customers per employee	Nos	13,218	12,174	12,919	12,618	11,771
Personnel Cost per employee per month	US\$	6,984	5,982	6,373	6,211	6,015
Gross Revenue per employee per month	US\$	74,271	67,129	75,728	77,280	73,335

8.10 South Asia

8.10.1 Operational Performance

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Customer Base	000's	8,342	8,025	7,906	7,493	7,236
VLR	%	82.9%	82.8%	83.9%	83.7%	82.6%
Net Additions	000's	317	119	413	257	355
Pre-Paid (as % of total Customer Base)	%	97.3%	97.5%	97.4%	97.3%	97.2%
Monthly Churn	%	6.0%	4.7%	3.8%	4.4%	5.7%
Average Revenue Per User (ARPU)	US\$	3.0	2.9	2.8	2.6	2.5
Revenue per site per month	US\$	3,665	3,585	3,384	3,169	3,101
Voice						
Minutes on the network	Mn	10,673	10,472	9,860	9,230	8,853
Voice Average Revenue Per User (ARPU)	US\$	2.5	2.5	2.4	2.2	2.2
Voice Usage per customer	min	436	439	427	419	420
Voice Realization per minute	USc	0.58	0.58	0.56	0.53	0.52
Non Voice Revenue						
% of Mobile revenues	%	14.8%	13.4%	14.1%	13.3%	13.8%
Of Which						
Messaging & VAS as % of Mobile revenues	%	7.2%	6.5%	7.0%	6.5%	6.1%
Data as % of Mobile revenues	%	5.4%	5.1%	5.1%	5.0%	5.7%
Others as % of Mobile revenues	%	2.2%	1.8%	2.0%	1.8%	2.0%
Data						
Data Customer Base	000's	2,376	2,236	2,234	2,115	2,145
As % of Customer Base	%	28.5%	27.9%	28.3%	28.2%	29.6%
Total MBs on the network	Mn MBs	1,278	1,049	1,059	958	802
Data Average Revenue Per User (ARPU)	US\$	0.6	0.5	0.5	0.7	0.4
Data Usage per customer	MBs	183.8	157.8	171.6	154.8	132.3
Data Realization per MB	USc	0.31	0.34	0.30	0.43	0.28

8.10.2 Operational Performance (in constant currency)

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Average Revenue Per User (ARPU)	US\$	3.0	3.0	2.8	2.7	2.6
Voice Average Revenue Per User (ARPU)	US\$	2.5	2.6	2.4	2.3	2.3
Voice Realization per minute	USc	0.58	0.58	0.56	0.55	0.54

8.10.3 Network and Coverage Trends

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Sites on Network	Nos	6,583	6,532	6,474	6,086	5,829
Of which no. of 3G sites	Nos	684	684	673	671	633

8.10.4 Human Resource Analysis

Parameters	Unit	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012
Total Employees	Nos	764	737	739	735	736
Number of Customers per employee	Nos	10,919	10,888	10,698	10,195	9,830
Personnel Cost per employee per month	US\$	2,558	2,232	2,369	2,049	2,080
Gross Revenue per employee per month	US\$	31,505	31,653	28,778	25,703	24,108

Section 9

KEY ACCOUNTING POLICIES AS PER IFRS

1. Investment in Joint Ventures and Associated

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

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

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

2. Property and equipment

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

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

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

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

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

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

3. Goodwill

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

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

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

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

4. Foreign currency transactions

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

The assets and liabilities of foreign operations are translated into functional currency of parent (i.e. INR) at the rate of exchange prevailing at the reporting date and their

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

5. Capital leases

Lessee accounting

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

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

Lessor accounting

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

6. Indefeasible right to use (IRU)

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

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

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

7. Impairment of long – lived assets and intangible assets

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

8. Revenue recognition

(i) Service revenues

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

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

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

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

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

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

(ii) Equipment sales

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

(iii) Multiple element arrangements

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

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

9. License fees

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

Group's shares of licenses acquired under business combination are accounted for at their respective fair values

as at the date of acquisition. The amounts are amortized on a straight-line basis over the remaining period of the license from the date of acquisition of respective circles.

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

10. Other intangible assets

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

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

11. Income-taxes

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

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

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

12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective

assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the average interest rate. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

13. Derivative financial instruments

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

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

14. Asset Retirement Obligations

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

15. Allowance for uncollectible accounts receivable

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

16. Issuance of Stock by Subsidiaries

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

Section 10

GLOSSARY

Technical and Industry Terms

Company Related

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

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

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

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

Regulatory

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

Others

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

SIM	Subscriber Identity Module
VAT	Value Added Tax
IPLC	International Private Leased Circuit

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