Quarterly report on the results for the second quarter and half year ended September 30, 2009

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

October 30, 2009

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

Supplemental Disclosures

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

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

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

Convenience translation: - We publish our financial statements in Indian Rupees. All references herein to “Indian Rupees” and “Rs.” are to Indian Rupees and all references herein to “US dollars” and “US$” are to United States dollars. All translations from Indian Rupees to United States dollars were made (unless otherwise indicated) using the rate of Rs. 48.04 = US $1.00, being the RBI Reference rate as announced by the Reserve Bank of India on September 30, 2009. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off. Information contained on our website www.airtel.in is not part of this Quarterly Report.

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 United States Generally Accepted Accounting Principles (US GAAP), but are not in themselves US GAAP measures. They should not be viewed in isolation as alternatives to the equivalent US GAAP measures and should be read in conjunction with the equivalent US GAAP measures. **Further, disclosures are also provided under “Use of Non - GAAP financial information” on page 20**

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, Bharti Airtel (Singapore) Private Ltd, Network i2i Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited) and Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel).

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 March 31,				Quarter Ended	
		2006	2007	2008	2009	June 30, 2009	Sept. 30, 2009[4]
Total Customer Base	**000's.**	**20,926**	**39,013**	**64,268**	**96,649**	**105,196**	**113,440**
Mobile Services	000's.	19,579	37,141	61,985	93,923	102,368	110,511
Telemedia Services	000's.	1,347	1,871	2,283	2,726	2,828	2,928
Consolidated financials as per US GAAP							
Revenue	INR Mn.	116,215	185,196	270,250	369,615	99,416	98,455
EBITDA	INR Mn.	43,374	74,508	113,715	151,678	41,518	41,416
Cash profit from operations	INR Mn.	40,862	73,070	111,374	140,065	44,123	40,988
Income before income taxes	INR Mn.	25,366	48,860	76,537	93,073	30,088	26,589
Net income	INR Mn.	22,567	42,571	67,008	84,699	25,167	23,210
Consolidated financials as per US GAAP							
Revenue	US$ Mn.	2,613	4,297	6,753	7,254	2,077	2,049
EBITDA	US$ Mn.	975	1,729	2,841	2,977	867	862
Cash profit from operations	US$ Mn.	919	1,695	2,783	2,749	922	853
Income before income taxes	US$ Mn.	570	1,134	1,912	1,827	629	553
Net income	US$ Mn.	507	988	1,674	1,662	526	483
Key Ratios							
EBITDA Margin	%	37.3%	40.2%	42.1%	41.0%	41.8%	42.1%
Net Profit Margin	%	19.4%	23.0%	24.8%	22.9%	25.3%	23.6%
Net Debt to Stockholders Equity [4]	Times	0.45	0.31	0.19	0.23	0.14	0.12
Return on Stockholders Equity	%	29.5%	37.4%	38.0%	32.5%	31.8%	30.3%
Return on Capital employed	%	21.3%	28.2%	31.7%	30.4%	28.5%	26.0%

1. *Financial Highlights for all the periods presented above are audited and based on consolidated results as per USGAAP.*
2. *Income before income taxes for the full year ended March 31, 2007, March 31, 2008 and March 31, 2009 are after fringe benefit tax.*
3. *Exchange rate for Rupee conversion to US$ is (a) Rs. 44.48 for the financial year ended March 31, 2006 (b) Rs. 43.10 for the financial year ended March 31, 2007 (c) Rs. 40.02 for the financial year ended March 31, 2008, being the noon buying rate as announced by The Federal Reserve Bank of New York at the end of the respective periods, (d) Rs.50.95 for the financial year ended March 31, 2009 (e) Rs 47.87 for the quarter ended June 30, 2009 and, (f) Rs 48.04 for the quarter ended September 30, 2009, being the RBI Reference rate as announced by The Reserve Bank of India at the end of the respective periods.*
4. *Net Debt to Stockholders Equity for the period amounts to* 0.03 *exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.*

Section 2

AN OVERVIEW

2.1 Introduction

We are one of Asia's leading providers of telecommunication services with presence in all the 22 licensed jurisdictions (also known as Telecom Circles) in India, and in Srilanka. We served an aggregate of 113,439,670 customers as of September 30, 2009; of whom 110,511,416 subscribe to our GSM services and 2,928,254 use our Telemedia Services either for voice and/or broadband access delivered through DSL. We are the largest wireless service provider in the country, based on the number of customers as of September 30, 2009. We offer an integrated suite of telecom solutions to our enterprise customers, in addition to providing long distance connectivity both nationally and internationally. We also offer DTH and IPTV Services. All these services are rendered under a unified brand "Airtel".

The company also deploys, owns and manages passive infrastructure pertaining to telecom operations under its subsidiary Bharti Infratel Limited. Bharti Infratel owns 42% of Indus Towers Limited. Bharti Infratel and Indus Towers are the two top providers of passive infrastructure services in India.

2.2 Business Divisions

Mobile Services - We offer mobile services using GSM technology in India and Sri Lanka. We are the largest wireless service provider in India, based on the number of customers. We had 110,511,416 mobile customers as on September 30,2009 and customer market share of 23.5% of wireless market, as on September 30, 2009.

We offer post-paid, pre-paid, roaming and value added services through our extensive sales and distribution channel covering 1,362,464 outlets.

Our network is present in 5,072 census towns and 429,723 non-census towns and villages in India, thus covering approximately 83% of the country's population.

Airtel Sri Lanka is amongst the fastest growing launches in the world with a base of over 1 million customers within six months of launch. Airtel already has presence in 16 administrative districts of Sri Lanka. The company has launched 3.5G services in the major towns and has created a wide distribution network comprising of 23 distributors and 15,000 retailers across the country.

Telemedia Services – We provide broadband (DSL), data and telephone services (fixed line) in 95 cities with growing focus on the various data solutions for the SMB segment. We had 2,928,254 customers as on September 30, 2009 of which 40.5% were subscribing to broadband/ internet services. Our product offerings in this segment include installation of fixed-line telephones providing local, national and international long distance voice connectivity and broadband Internet access through DSL.

We remain strongly committed to our focus on Small and Medium Business/Enterprises by providing a range of customised Telecom/ IT solutions and aim to achieve revenue leadership in this rapidly growing segment of the ICT market. The strategy of our Telemedia business is to focus on cities with high revenue potential.

Enterprise Services - Enterprise Services is India's leading provider of communications services to large Enterprise and Carrier customers.

We provide long distance wholesale voice and data services to over 400 carrier customers. We own a state of the art national and international long distance network infrastructure enabling us to provide connectivity services both within India and connecting India to the world. Our national long distance infrastructure comprises of 113,326 Rkms of optical fibre, over 1,500 MPLS and SDH POPs and over 1,500 POIs with the local exchanges, providing a pan India reach in 301 LDCA's and 1275 SDCA's.

Our international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Europe and Singapore, and investment in a number of diverse submarine cable systems across transatlantic and transpacific routes. Our investments in new cable systems such as Asia America Gateway (AAG), India Middle East and Western Europe (IMEWE), Unity North, EIG (Europe India Gateway) and East Africa Submarine System (EASSy) will expand our global network across 5 Continents. We have also built terrestrial express connectivity to neighboring countries such as Nepal and Bhutan.

We deliver end to end telecom solutions to India's large corporates. We serve as the single point of contact for all telecommunication needs for corporate customers in India by providing a full suite of communication services across data, voice, network integration, and managed services.

We specialize in providing customized solutions to address unique requirements of different industry verticals; BFSI, IT, ITeS, Manufacturing and Distribution, Media, Education, Telecom, Government, PSUs and Retail among others. These services include; Domestic and International MPLS Services, Internet Services, Remote Access VPN Services, Domestic and International Private Leased Circuits, Satellite services (VSAT), Audio and Video conferencing, Datacenter Services, Network Integration and Professional Services, Managed Network Services, Terrestrial and Wireless Access Services, Fixed Line and Converged Voice Services, Contact centre solutions, Domestic and International Toll free services and Mobile enterprise enablement solutions.

Digital TV Services - Airtel Digital TV, with a base of over 1.3 million customers, is available through more than 54,000 retail points and Airtel Relationship Centres in over 5,000 towns and thousands of villages across the country.

Passive Infrastructure Services – Bharti Infratel provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns and manages passive infrastructure in 11 circles of India. Infratel also holds 42% share in Indus Towers (a Joint Venture between Bharti Infratel, Vodafone and Idea Cellular). Indus operates in 16 circles (4 circles common with Infratel, 12 circles on exclusive basis).

Bharti Infratel has 29,112 towers in 11 circles, excluding the 35,066 towers in 12 circles for which the right of use has been assigned to Indus with effect from January 1, 2009. Indus Towers has a portfolio of 100,728 towers including the towers under right of use.

2.3 Partners

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

Equipment and Technology Partners - We have established strong alliances with equipment and technology partners who share the same drive for the development of innovative solutions. Ericsson, Nokia Siemens and Huawei are equipment partners supporting our aggressive expansion plans by deploying state of the art technology across our networks. From August 1, 2009, Alcatel Lucent Network Management Services India Limited has taken over the managed services operations of fixed line, broadband & IPTV business. This will help us in transforming our networks in IP domain and also achieving enhanced level of KPIs and customer satisfaction.

IBM has been working closely with us to transform our IT system, key business processes and establishing an enterprise integration platform. More than 90 hardware, software and service providers are serving us through IBM as Tier II partners. Telephone services and long distance networks equipment partners include Nokia Siemens, Cisco, Wipro, Alcatel Lucent, ECI and Tellabs among others.

IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis and HTMT are associated with us to provide excellent customer experience through dedicated call center operations.

We have a strategic partnership with Infosys to provide a suite of products, including devices, application servers and interactive applications to enhance digital lifestyle for our customers. We work with globally renowned organizations such as On Mobile, Comviva, Yahoo, Google and Cellebrum among others to provide each of our customers with a unique experience in the areas of CRBT(caller ring back tone), Music on Demand, Email services and other Airtel Live applications. We also have alliance with RIM for selling Blackberry enterprise services and Blackberry internet services.

Section 3

FINANCIAL HIGHLIGHTS

This section presents the (1) audited financial results for the second quarter and half year ended September 30, 2008, and (2) audited financial results for the second quarter and half year ended September 30, 2009 as per United States Generally Accepted Accounting Principles (USGAAP).

Detailed financial statements, analysis and other related information is attached to this report as Annexure (page 26). Also, kindly refer to Section 7 - use of Non - GAAP financial information (page 20) and Glossary (page 38) 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. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Total revenues	98,455	90,203	9%	197,871	175,036	13%
EBITDA	41,416	36,993	12%	82,934	72,214	15%
Cash profit from operations before Derivative and Exchange Fluctuation	41,666	37,212	12%	83,290	72,280	15%
Cash profit from operations after Derivative and Exchange Fluctuation	40,988	31,252	31%	85,111	64,641	32%
Income before Income taxes	26,589	19,724	35%	56,677	43,539	30%
Current tax expense	5,085	1,763	188%	11,906	4,816	147%
Income after current tax expense	21,504	17,961	20%	44,771	38,723	16%
Deferred tax expense / (Income)	(2,212)	(3,010)		(4,591)	(2,781)	
Net income	23,210	20,463	13%	48,377	40,713	19%
EBITDA / Total revenues	42.1%	41.0%		41.9%	41.3%	

3.1.2 Consolidated Summarized Balance Sheet

Amount in Rs. Million

Particulars	**As at September 30, 2009**
ASSETS	
Total current assets	138,166
Total non current assets	483,678
Total assets	**621,844**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Total current liabilities	198,583
Total non current liabilities	62,482
Total liabilities	**261,065**
Non Controlling Interest	**11,688**
Total stockholders' equity	**349,091**
Total liabilities and stockholders' equity	**621,844**

3.2 Segment - wise Summarized Statement of Operations

3.2.1 **Mobile Services -** comprises of consolidated statement of operations of Mobile Services.

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Total revenues	80,994	72,843	11%	163,279	141,993	15%
EBITDA	25,860	22,009	17%	53,043	43,227	23%
EBIT	18,148	15,731	15%	37,417	31,449	19%
EBITDA / Total revenues	31.9%	30.2%		32.5%	30.4%	

3.2.2 **Telemedia Services –** comprises of consolidated statement of operations of Telemedia Services.

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Total revenues	8,544	8,486	1%	17,094	16,474	4%
EBITDA	3,667	3,696	-1%	7,130	7,063	1%
EBIT	1,886	2,270	-17%	3,673	4,251	-14%
EBITDA / Total revenues	42.9%	43.6%		41.7%	42.9%	

3.2.3 **Enterprise Services –** comprises of consolidated statement of operations of Enterprise Services.

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Total revenues	21,331	21,874	-2%	42,313	41,446	2%
EBITDA	11,023	9,369	18%	21,269	18,024	18%
EBIT	9,351	7,971	17%	18,091	15,355	18%
EBITDA / Total revenues	51.7%	42.8%		50.3%	43.5%	

Note 5: Financials for the quarter and half year ended September 30, 2008 are gross of eliminations and financials for the quarter and half year ended September 30, 2009 are net of eliminations.

3.2.4 **Others –** comprises of Digital TV operations, Bharti corporate offices and new projects

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Total revenues	1,290	911	42%	2,317	1,737	33%
EBITDA	(2,334)	(1,284)	-82%	(4,470)	(2,528)	-77%
Depreciation and Others	521	270	93%	1,165	(30)	3983%
EBIT	(2,855)	(1,554)	-84%	(5,635)	(2,498)	-126%

3.2.5 Passive Infrastructure Services – represents Bharti Infratel Ltd, and comprises of passive infrastructure being provided to telecom operators.

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Total revenues	8,586	11,983	-28%	16,606	22,546	-26%
EBITDA	4,020	3,992	1%	7,577	7,861	-4%
EBIT	537	1,275	-58%	862	2,964	-71%
Share of profits/(loss) in associates/ joint ventures	(7)	(90)	92%	240	(205)	217%
EBITDA / Total revenues	46.8%	33.3%		45.6%	34.9%	

3.3 Segment-wise Investments and Contribution

3.3.1 Investments in projects

Amount in Rs. Million, except ratios

Segment	As at September 30, 2009	
	Rs. Million	% of Total
Mobile Services	319,712	49%
Telemedia Services	74,842	11%
Enterprise Services	91,509	14%
Passive Infrastructure Services	149,330	23%
Others	18,554	3%
Total	**653,947**	**100%**
Less:- Accumulated Depreciation and Amortization	181,576	
Net Fixed Assets and Other Project Investment	**472,371**	

3.3.2 Segment-wise contribution to Revenue, EBITDA and Capital expenditure incurred during the period [6]

Segment	Quarter Ended September 2009					
	Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobile Services	80,994	82%	25,860	62%	11,464	50%
Telemedia Services	8,544	9%	3,667	9%	1,790	8%
Enterprise Services	21,331	22%	11,023	27%	3,013	13%
Passive Infrastructure Services	8,586	9%	4,020	10%	3,564	16%
Others	1,290	1%	(2,334)	-6%	2,957	13%
Sub Total	**120,745**	**123%**	**42,236**	**102%**	**22,788**	**100%**
Eliminations	(22,290)	-23%	(820)	-2%		
Total	**98,455**	**100%**	**41,416**	**100%**	**22,788**	**100%**

Segment	Half Year Ended September 2009					
	Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobile Services	163,279	83%	53,043	64%	20,721	42%
Telemedia Services	17,094	9%	7,130	9%	5,885	12%
Enterprise Services	42,313	21%	21,269	26%	4,816	10%
Passive Infrastructure Services	16,606	8%	7,577	9%	7,344	15%
Others	2,317	1%	(4,470)	-5%	11,113	22%
Sub Total	**241,609**	**122%**	**84,549**	**102%**	**49,879**	**100%**
Eliminations	(43,738)	-22%	(1,615)	-2%		
Total	**197,871**	**100%**	**82,934**	**100%**	**49,879**	**100%**

Note 6: Revenue and EBITDA eliminations are on account of inter-segment transactions. Capex is net of eliminations

SECTION 4

OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, Non Voice revenue, SMS revenue, Gross revenue per employee per month are based on United States Generally Accepted Accounting Principles (US GAAP).

4.1 Bharti Airtel Consolidated

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Customers on our Network						
Mobile Services	000's.	110,511	102,368	8%	77,479	43%
Telemedia Services	000's.	2,928	2,828	4%	2,509	17%
Total	**000's.**	**113,440**	**105,196**	**8%**	**79,989**	**42%**
Non Voice Revenue as a % of Total Revenues	%	15.1%	14.8%		15.1%	
Total Employees11	No.	18,598	23,789	-22%	25,616	-27%

4.2 Mobile Services

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Subscriber Base[7]						
All India Mobile Subscribers	000's.	471,178	427,282	10%	315,312	49%
Mobile Customers on Bharti's Network	000's.	110,511	102,368	8%	77,479	43%
Net Additions						
All India Mobile Subscribers	000's.	43,896	35,522	24%	28,444	54%
Mobile Customers on Bharti's Network	000's.	8,144	8,445	-4%	8,095	1%
Market Share						
Bharti's Mobile Market Share	%	23.5%	24.0%		24.6%	
Bharti's Market Share of Net Additions	%	18.6%	23.8%		28.5%	
Pre-Paid Subscribers						
Total Customer Base	%	95.2%	94.7%		92.9%	
Total Net Additions	%	100.4%	101.1%		98.4%	
Other Operating Information						
Average Revenue Per User (ARPU)	Rs.	252	278	-9%	331	-24%
Average Revenue Per User (ARPU)	US$	5.2	5.8	-9%	6.9	-24%
Average Rate Per Minute (ARPM)	Rs	0.56	0.58	-4%	0.63	-11%
Average Minutes of Use Per User	Minutes	450	478	-6%	526	-15%
Monthly Churn						
Post-paid Voluntary Churn	%	0.9%	1.2%		1.1%	
Post-paid Company Initiated Churn	%	1.0%	1.3%		1.4%	
Pre-paid	%	4.6%	3.5%		3.2%	
Non Voice Revenue						
SMS Revenue as a % of Mobile Revenues	%	4.9%	4.3%		4.3%	
Non Voice Revenue as a % of Mobile Revenues	%	9.8%	9.3%		10.0%	

Note 7: All India mobile subscribers for the month of July 2009 and August 2009 are as per report published by TRAI. Due to the non publication of TRAI report for September 2009 as on date, all India mobile subscriber net additions for September 2009 are as reported by COAI and AUSPI.

4.3 Telemedia Services

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Telemedia Customers	000's.	2,928	2,828	4%	2,509	17%
Net additions	000's.	100	102	-1%	116	-13%
Average Revenue Per User (ARPU)	Rs	989	1,027	-4%	1,147	-14%
Average Revenue Per User (ARPU)	US$	20.6	21.4	-4%	23.9	-14%

4.4 Traffic Details

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Mobile Services	Mn Min	143,680	140,713	2%	115,834	24%
Telemedia Services	Mn Min	4,796	4,746	1%	5,002	-4%
National Long Distance Services	Mn Min	12,417	11,781	5%	11,349	9%
International Long Distance Services	Mn Min	3,181	2,869	11%	2,284	39%
Total Minutes on Network [8]	**Mn Min**	**164,074**	**160,109**	**2%**	**134,470**	**22%**

Note 8: The minutes are gross of Inter-segment Eliminations

4.5 Network and Coverage

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Mobile Services						
Census Towns	No.	5,072	5,067	5	5,050	22
Non-Census Towns and Villages	No.	429,723	423,149	6,574	384,521	45,202
Population Coverage	%	83%	82%		77%	
Network Sites	No.	99,501	96,149	3,352	82,554	16,947
Telemedia Services						
Cities covered	No.	95	95	-	95	-
Enterprise Services (National Long Distance)						
Optic Fibre Network	Rkms	113,326	104,540	8,786	83,389	29,937

4.6 Passive Infrastructure Services

4.6.1 Bharti Infratel

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Total Towers[9]	No.	29,112	28,078	4%	59,966	-51%
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs.	36,696	36,420	1%	32,177	14%
Sharing Factor	Times	1.49	1.43	-	1.26	-

Note 9: Total towers as on September 30, 2009 and June 30, 2009 are excluding 35,066 towers in 12 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009

4.6.2 Indus Towers

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Total Towers[10]	No.	100,728	97,925	3%	-	-
Key Indicators						
Sharing Factor	Times	1.61	1.55	-	-	-

Note 10: Bharti Infratel holds 42% in Indus towers

4.7 Human Resource Analysis

Parameters	Unit	Sept. 30, 2009	June 30, 2009	Q-on-Q Growth	Sept. 30, 2008	Y-on-Y Growth
Consolidated						
Total Employees[11]	No.	18,598	23,789	-22%	25,616	-27%
Number of Customers per employee	No.	6,100	4,422	38%	3,123	95%
Mobile Services						
Number of Customers per employee	No.	15,093	13,388	13%	9,527	58%
Gross Revenue per employee per month	Rs.	3,687,244	3,587,279	3%	2,985,491	24%
Telemedia Services						
Number of Customers per employee	No.	622	297	109%	224	178%
Gross Revenue per employee per month	Rs.	605,313	299,559	102%	252,241	140%
Enterprise Services						
Gross Revenue per employee per month	Rs	2,228,246	2,079,073	7%	1,978,115	13%

Note 11: Total Employees after migration of employees to Alcatel Lucent Management Services India Limited and other outsourcing initiatives .

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Key Industry and Company Developments

5.1.1 Industry

Auction of 3G, 800MHz & BWA spectrum:

On October 23, 2009, DoT released the revised information memorandum of "Auction of 3G and BWA Spectrum".

An indicative timetable of the important events of 3G & BWA Auction is as under:-

S. No.	Activity	Timelines
1	Pre-bid conference	November 16, 2009
2	Notice inviting Applications	December 8, 2009
3	Final date of Applications	December 21, 2009
4	Pre-qualification of Bidders	January 7, 2010
5	Start of 3G auction	January 14, 2010
6	Start of the 800MHz and BWA Auctions	2 days from the date of close of the 3G Auction

The highlights of the document are as under:-

1. **Eligibility Criterion**

- **Existing Telecom Operators**

  i. 3G Spectrum: An existing telecom operator who is holding Unified Access Service (UAS) / Cellular Mobile Telephone Service (CMTS) License can participate in the auction across India.
  ii. BWA Spectrum: An existing operator, who is holding UAS / CMTS / Internet Service Provider (ISP) License can participate in the auction across India.
  iii. 800MHz Spectrum: An existing operator, who is holding UAS and offering CDMA services can participate in the auction across India.

- **Foreign Entities**

  Foreign entities, who are not presently holding any UAS / CMTS / ISP License, can also participate in 3G & BWA auction subject to the provisions that

  i. They will have to give an undertaking to obtain a UAS License after becoming the successful bidder in 3G or UAS / ISP License after becoming the successful bidder in BWA through an Indian subsidiary
  ii. For participation in 3G auction, the entity has to produce the previous experience of running 3G telecom services. Moreover, such non-licensed entities will also be permitted to acquire equity in an existing UAS / CMTS License in that service area, subject to the provision that the successful bidder has a minimum holding of at least 26% directly or indirectly.

- **Associated Licenses**

  Those telecom groups, who are providing telecom services in different companies' name, will have to participate in the auction through a single Group company. For this, the provision of Associated License has been envisaged wherein one Group Company can nominate another Group Company to participate in the auction on their behalf. Associated Licensees are defined as existing UAS / CMTS licensees that are controlled, directly or indirectly, by a single entity, which also has at least 26% shareholding in the Company.

2. **Availability of 3G, 800MHz and BWA spectrum for auction**

- **3G spectrum**

  i. 4 blocks (2x5MHz) are available for auction in (i) Mumbai (ii) Kolkata (iii) Maharashtra (iv) Andhra Pradesh (v) Karnataka (vi) Tamil Nadu (vii) Kerala (viii) Punjab (ix) Haryana (x) Madhya Pradesh (xi) Bihar (xii) Orissa (xiii) Assam (xiv) Jammu & Kashmir (xv) Uttar Pradesh (East)
  ii. 3 blocks (2x5MHz) are available for auction in (i) Himachal Pradesh and (ii) Uttar Pradesh (West)
  iii. 2 blocks (2x5MHz) are available for auction in (i) Delhi and (ii) Gujarat
  iv. 1 block (2x5MHz) is available for auction in (i) West Bengal
  v. No blocks are available for auction in (i) Rajasthan and (ii) North-East

- **BWA spectrum**

  i. 2 blocks (20MHz) in 2.3GHz are available for auction in all service areas

- **800MHz spectrum**

  i. 1 block (2x1.25MHz) is available for auction in all service areas except (i) Delhi (ii) Mumbai (iii) Maharashtra (iv) Andhra Pradesh (v) Punjab and (vi) Rajasthan.

3. Not more than 1 block of 3G spectrum, 800MHz and BWA spectrum will be allocated to any single bidder in a service area.

4. The right of usage of 3G, 800MHz and BWA spectrum will be for 20 years.

5. **Reserve Price**

- **For 3G Spectrum** - The reserve price would be Rs.3200 million for Mumbai, Delhi and Category "A" Service Areas, Rs.1200 million for Kolkata & Category "B" Service Areas and Rs.300 million for Category "C" Service Areas.

- **For BWA Spectrum** - The reserve price would be Rs.1600 million for Metro & Category "A" Service Areas, Rs.600 million for Category "B" Service Areas and Rs.150 million for Category "C" Service Areas.

- **For 800MHz Spectrum** - The reserve price would be Rs.800 million for Metro & Category "A" Service Areas, Rs.300 million for Category "B" Service Areas and Rs.75 million for Category "C" Service Areas.

6. **E-Auction of 3G spectrum is a two-staged process.** 3G Spectrum licences will be allocated by a simultaneous ascending e-auction. The final winners will be chosen by a two-stage process:

- **The Clock Stage:** This stage will establish the winning bidders and a common winning prize for all lots of spectrum bands in a service area.

- **The Assignment Stage:** The Clock Stage will be followed by an Assignment Stage that will allocate specific frequencies available to the winning bidders identified in the Clock Stage. The initial allocation of the frequencies will be done randomly by the software.

7. **Roll-out obligations to be met in five years from the time of the grant of spectrum.**

- Roll-out obligations for 3G and 800MHz:

  i. In Metro Service Areas, the licensee should cover at least 90% of the service area.
  ii. In the rest of the service areas, at least 50% of the District Head Quarters (DHQs) should be covered, out of which at least 15% of the DHQs should be rural Short Distance Charging Areas ("SDCA").

- Roll-out obligations for BWA spectrum:

  i. In Metro Service Areas, the licensee should cover at least 90% of the service area
  ii. In the rest of the circles, at least 50% of the rural SDCA should be covered.

Long Distance Calling Cards

On August 21, 2009, DoT has allowed the National & International Long Distance operators to offer voice service through calling cards. However, such operators will not be able to offer IN based services i.e. televoting, toll free service, Value Added Services such as SMS/MMS, ringtones etc and Local voice service.

Guidelines on Lock-in-Period in UAS License

On 23rd July 2009, DoT introduced a lock-in period for sale of equity of a person; whose share capital is 10% or more in the UAS Licensee company on the effective date of UAS Licence and whose net-worth has been taken into consideration for determining the eligibility for grant of UAS license, till completion of 3 years from the effective date of the UAS Licence or till fulfilment of all the rollout obligations, whichever is earlier.

While, issue of additional equity share capital by the UAS licensee company by way of private placement/ public issues is permitted, however, such a person shall not transfer in any manner such as sale, assignment etc., his share capital directly or indirectly to any other person during lock-in period i.e. the invested amount in the shareholding by the equity holder shall not be reduced in any circumstances during the lock-in period.

In case of issue of fresh equity, within the lock-in period the declaration of dividend and/or special dividend shall be barred.

However, the provision of lock-in period shall not apply, in pursuance to enforcement of pledge by the lending financial institutions/banks in the event of defaults committed by the UAS licensee company.

Consultation Paper on "Overall Spectrum Management and review of license terms and conditions"

On October 16, 2009, TRAI issued a consultation paper, seeking the comments from the stakeholders on the issues related to:

Spectrum

i. Identification of spectrum bands for commercial usage.
ii. Assessment of demand for spectrum and its availability.
iii. Ensuring efficient utilization of available spectrum.
iv. Policy for refarming of spectrum.
v. Spectrum assignment mechanisms.
vi. Spectrum pricing.
vii. Spectrum trading & spectrum sharing.
viii. Spectrum consolidation methods including Merger & Acquisitions, spectrum trading/sharing, technological advance, etc.

Licensing related issues

i. Need for limiting the number of access service providers in a service area.
ii. De-linking of spectrum from license.
iii. Terms and conditions of existing UAS/CMTS license for extending validity of these licenses perpetually or otherwise.

The last date of response to the consultation paper is November 12, 2009.

Regulation on Mobile Number Portability

On September 23, 2009, TRAI issued "Telecommunication Mobile Number Portability Regulations, 2009. The highlights of the same are as under:-

1. MNP facility shall be available only within a given licensed service area.

2. A subscriber holding a mobile number is eligible to make a porting request only after 90 days of the date of activation of his mobile connection. If a number is already ported once, the number can again be ported only after 90 days from the date of the previous porting.

3. The subscriber who wishes to port his mobile number should approach the Recipient operator (the operator to whom the subscriber wants to port his number). The

Subscriber may be required to pay porting charges, if any, to the Recipient Operator.

4. The subscriber making the porting request is required to have cleared all the bills issued prior to the date of porting request. He shall give an undertaking that he has already paid all billed dues to the Donor Operator as on the date of the request for porting and that he shall pay dues to the Donor Operator pertaining to the mobile number till its eventual porting and that he understands and agrees that in event of non-payment of any such dues to the Donor Operator, the ported mobile number shall be liable to be disconnected by the Recipient Operator.

5. A subscriber may withdraw his porting request within 24 hours of its submission to the Recipient Operator. However, the porting charges shall not be refundable.

6. The regulation envisage a maximum time period of 4 days for the completion of porting process in all licensed service areas except in the case of J&K, Assam and North East licensed service areas where the maximum time allowed is 12 days. However, efforts will be made to further reduce the porting period.

7. Access Providers are required to implement All Call Query method.

8. The Originating operator shall be responsible to route the call to correct terminating network.

5.1.2 Company

Key developments

- Bharti Airtel has been ranked **among six best performing technology companies** in the world by **BusinessWeek**.

- Bharti Airtel was awarded the **Most Preferred Cellular Service Provider Award** at the **CNBC Awaaz Consumer Awards 2009**.

- Bharti Airtel has been awarded the **NDTV Profit Business Leadership Award 2009** in the **Telecom Sector**. NDTV Profit Business Leadership Awards have been instituted to award organisational excellence. The awards promise to acknowledge the best, the brightest and the most dynamic of Indian organisations that have emerged leaders in their respective verticals.

- Bharti Airtel **bagged top honours in the Voice & Data 100 Survey, winning five of the Voice & Data Telecom Awards 2009.** Bharti Airtel was named the **Top Telecom Services Provider of the Year 2009**. Manoj Kohli, CEO and Joint MD of Bharti Airtel, was named the Voice & Data Telecom Person of the Year 2009. The Awards also named Bharti Airtel, the Top VSAT Player 2009, the Top NLD Player 2009 and Top Cellular Services Provider 2009.

- Bharti Airtel has recently **won multiple recognitions in the field of Information Technology.** Spamhaus Group Whitehat Network Star, Security Strategist Award (Technology Senate 2009), Intelligent Enterprise Award (Technology Senate 2009) & CIO hall of fame.

- Bharti Airtel has been selected as **one of the top 10 winners of the IDC Enterprise Innovation IT Awards 2009 across APAC region for the BSS Transformation Project** which integrates 15 major applications and automates over 200 processes. The awards are presented to companies that demonstrate best practices use IT in innovative ways to deliver competitive advantages to the organization and enable growth.

- Bharti Airtel signed an agreement with **Twitter, allowing over 110 million Airtel customers to send and receive SMS Tweets**. With this agreement, Airtel customers can now receive text messages from people they opt to follow via SMS and send text messages to a short code (53000) to Tweet or message someone directly on Twitter.

- **Bharti Airtel and Cisco announced the formation of a strategic business alliance to help drive growth for Indian enterprises**. The alliance will combine the strengths of Airtel's network service provider leadership and Cisco's Internet Protocol (IP) technologies.

- Bharti Airtel launched the **'Airtel Advantage' initiative**. This initiative is aimed at offering the added advantage to this significantly vast Airtel community more than 100 million customers to be in touch with each other.

- Bharti Airtel announced the launch of its m-Commerce service - **'mChek on Airtel´** on the voice platform. This service ensures seamless and secure use of voice (IVR) for m-Commerce transactions for all Airtel mobile customers.

- Bharti Airtel announced the creation of a **new terrestrial cable network to Bhutan**. As part of this initiative, Airtel has inked an MoU with the Royal Government of Bhutan to extend fibre connectivity to the Himalayan Kingdom.

- Bharti Airtel **unveiled its Global Wholesale Service Portfolio with a network that will reach 50 countries** across the continents of Europe, North America, Africa, Asia and Australia. Bharti Airtel's wholesale portfolio will offer MPLS, Ethernet, IP and International Private Leased Circuit (IPLC) services to global carriers.

- Bharti Airtel Lanka (Pvt) Ltd, a subsidiary of Bharti Airtel **announced** that it crossed the **1 million customers mark in Sri Lanka.** Having achieved this remarkable milestone within six months of launch of its services in Sri Lanka, Bharti Airtel Lanka is now the fastest growing mobile services operator in the country.

- Bharti Airtel signed up as the **Title Sponsor of Champions League Twenty20 for a period of 5 years** along with ESPN STAR Sports, the commercial partners of Champions League T20 starting with the inaugural season in 2009.

- Bharti Airtel launched **'Airtel Hosted Mail',** a corporate mailing solution for SMBs across the country, powered by Microsoft Exchange Server 2007. A robust enterprise grade mailing solution, 'Airtel Hosted Mail' offers SMBs a wider range of communication tools than conventional email solutions

5.2 Results of Operations

The company has reported its (1) audited financial results for the quarter ended September 30, 2008; (2) audited financial results for the quarter ended September 30, 2009. The financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP).

Key Highlights - *For the quarter ended September 30, 2009*

- **Overall Customer base at 113.4 million.**
- **Net addition of 8.2 million customers.**
- **Market leader with a market share of all India wireless subscribers at 23.5%**
- **Total Revenues of Rs. 98.5 billion (up 9% Y-o-Y).**
- **EBITDA of Rs. 41.4 billion (up 12% Y-o-Y).**
- **Cash profit from operations of Rs. 41 billion (up 31% Y-o-Y).**
- **Net Profit of Rs. 23.2 billion (up 13% Y-o-Y).**

Bharti Airtel Consolidated

Customer Base
As on September 30, 2009, the company had an aggregate of 113,439,670 customers, consisting of 110,511,416 GSM mobile and 2,928,254 Telemedia customers. Its total customer base as on September 30, 2009 increased by 42% compared to the customer base as on September 30, 2008.

Revenues/Turnover
During the quarter ended September 30, 2009, the company had revenues of Rs 98,455 million; a growth of 9% compared to the quarter ended September 30, 2008. Revenues from mobile services represented 82% of the total revenues for the quarter ended September 30, 2009. Non-voice revenue contributed to approximately 15.1% of the total revenues for the quarter.

Operating Expenses (ex-revenue share license and spectrum fee) During the quarter ended September 30, 2009; the company incurred an operating expenditure of Rs. 36,118 million representing 37% of the total revenues. The operating expense comprises:

- Rs. 18,638 million towards network operations costs (18.9% of turnover)
- Rs. 4,232 million towards employee costs, (4.3% of turnover)
- Rs. 136 million towards equipments costs, and
- Rs.13,112 million towards selling general and administrative costs (13.3% of turnover)

The operating expenses grew by 16% compared to the quarter ended September 30, 2008. The increase in the operating expenses is associated to the costs pertaining to the expansion of operations.

EBITDA, Finance Cost and Cash Profit from Operations
During the quarter ended September 30, 2009, the company had an EBITDA of Rs.41,416 million; a growth of 12% compared to the quarter ended September 30, 2008. The EBITDA margin for the quarter was 42.1%.

The net finance expense for the quarter ended September 30, 2009 was Rs. 428 million. The interest on borrowings during the quarter was Rs. 734 million and the finance income (primarily related to income on marketable securities) was Rs. 1,262 million. The balance amount was other finance costs, effect of exchange fluctuation and derivative accounting.

The cash profit from operations after derivative and exchange fluctuations for the quarter was Rs. 40,988 million, an increase of 31%, as compared to the quarter ended September 30, 2008. During the quarter ended September 30, 2009, the company had depreciation and amortization expenses of Rs.14,796 million.

Income Before Income Taxes (PBT)
The income before income tax for the quarter was Rs. 26,589 million, an increase of 35%, as compared to the quarter ended September 30, 2008. The current tax for the quarter ended September 30, 2009 was Rs. 5,085 million and deferred tax expense / (income) was Rs. (2,212) million.

Net income
The net income for the quarter ended September 30, 2009 was Rs 23,210 million with YoY growth of 13%.

Balance Sheet
As on September 30, 2009, the company had total assets of Rs. 621,844 million and total liabilities of Rs 261,065 million respectively. The difference of Rs. 360,779 million was on account of stockholder's equity and non-controlling interest.

The company had a net debt of Rs. 42,108 million (US$ 877 million) as on September 30, 2009, resulting in a Net Debt to EBITDA (LTM) of 0.26 times. However, Net Debt to EBITDA (LTM) for the period amounts to 0.06 times exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

Capital Expenditure
During the quarter ended September 30, 2009, the company incurred capital expenditure of Rs. 22,788 million (US$ 474 million).

Human Resources
As on September 30, 2009, the company had a total of 18,598 employees consisting of 7,322 in Mobile services, 4,705 in Telemedia service ,3,191 in Enterprise services, 2,604 in Others and 776 in Passive Infrastructure services. Total Employees for Q2FY10 is after migration of employees to Alcatel Lucent Management Services India Limited and other outsourcing initiatives.

Mobile Services

Customer Base, Churn, ARPU and MoU
As at the end of the quarter the company had 110,511,416 GSM mobile customers on its network, which accounted for a market share of 23.5% of the all India mobile market.

Of its 110,511,416 GSM mobile customers as of September 30, 2009, post-paid customers contributed 4.8% to the overall customer base while pre-paid customers contributed the balance 95.2%. During the quarter, Bharti's share of

8,143,535 net additions was 18.6% of all India wireless subscriber net additions.

The average monthly churn for the quarter ended September 30, 2009 was 2.0% (0.9% voluntary churn and 1.0% company initiated churn) for its post-paid segment, and 4.6% for the pre-paid segment.

During the quarter blended ARPU was Rs.252 (US$ 5.2) per month as compared to Rs 278 (US$ 5.8) per month in the quarter ended June 30, 2009. The blended monthly usage per customer, during the quarter was at 450 minutes. The Average rate per minute during the quarter was Rs 0.56. Non voice revenue, which includes Short Messaging Service (SMS), voice mail service, call management and other value added services like Hello Tunes, Music on Demand and Airtel Live contributed to approximately 9.8% of the total revenues of the segment. The Short Messaging Services (SMS) revenue, which is primarily text messaging, accounted for 4.9% of the total revenue of the segment, for the quarter ended September 30, 2009.

Revenues, EBITDA and EBIT

The revenues for the quarter ended September 30, 2009 for mobile services stood at Rs 80,994 million, an increase of 11% over the corresponding quarter last year. The revenue from this segment contributed to 82% of the total consolidated revenues. The EBITDA during the quarter ended September 30, 2009 was Rs. 25,860 million representing growth of 17% over the quarter ended September 30, 2008. The EBITDA margin for the quarter ended September 30, 2009 was 31.9%. The EBIT for the quarter ended September 30, 2009 was Rs 18,148 million as compared to Rs 15,731 million for the quarter ended September 30, 2008, an improvement of 15%.

Capital Expenditure

During the quarter ended September 30, 2009, the company incurred a capital expenditure of Rs 11,464 million (US$ 239 million) on its mobile services.

Telemedia Services

Customer Base and ARPU

At the end of the quarter ended September 30, 2009, the company had its Telemedia operations in 95 cities. During the quarter, the company added 100,373 customers on its Telemedia networks with 2,928,254 customers as on September 30, 2009. The company had approximately 1.19 million customers (40.5% of the total customer base) subscribing to broadband (DSL) services.

The ARPU for the quarter was Rs. 989 (US$ 20.6) per month.

Revenues, EBITDA and EBIT

For the quarter ended September 30, 2009, the revenues from its Telemedia operations of Rs 8,544 million, represented a growth of 1% over the corresponding quarter last year. The EBITDA for the quarter was Rs. 3,667 million compared to Rs. 3,696 million in the corresponding prior year quarter, a decrease of 0.8%. The EBITDA margin for this segment was 42.9% for the quarter ended September 30, 2009. The EBIT for the quarter ended September 30, 2009 was Rs 1,886 million.

Capital Expenditure

During the quarter ended September 30, 2009, the company incurred a capital expenditure of Rs. 1,790 million (US$ 37 million) on its Telemedia services.

Enterprise Services

Revenues, EBITDA and EBIT

The revenues for the quarter ended September 30, 2009 for Enterprise services stood at Rs 21,331 million, a decrease of 2.5% over the corresponding quarter last year. The revenue from this segment contributed to 22% of the total consolidated revenues. The EBITDA during the quarter ended September 30, 2009 was Rs 11,023 million, an increase of 18% over the corresponding quarter last year. The EBITDA margin for the quarter ended September 30, 2009 was 51.7%. The EBIT for the quarter ended September 30, 2009 was Rs 9,351 million as compared to Rs 7,971 million for the quarter ended September 30, 2008, an improvement of 17%.

Capital Expenditure

During the quarter ended September 30, 2009, the company incurred a capital expenditure of Rs. 3,013 million (US $63 million) on its Enterprise Services.

Passive Infrastructure Services -Infratel

Towers and Sharing Operators

As at the end of the quarter, the company had 29,112 towers. Sharing factor for the quarter ended September 30, 2009 was 1.49 times.

Revenues, EBITDA and EBIT

For the quarter ended September 30, 2009, the revenues from its passive infrastructure services were Rs. 8,586 million. The EBITDA for the quarter ended September 30, 2009 was Rs 4,020 million. The EBITDA margin for the quarter ended September 30, 2009 was 47%. The EBIT for the quarter ended September 30, 2009 was Rs. 537 million.

Capital Expenditure

During the quarter ended September 30, 2009, the company incurred a capital expenditure of Rs. 3,564 million (US $74 million) on its passive infrastructure services.

SECTION 6

STOCK MARKET HIGHLIGHTS

6.1 General Information

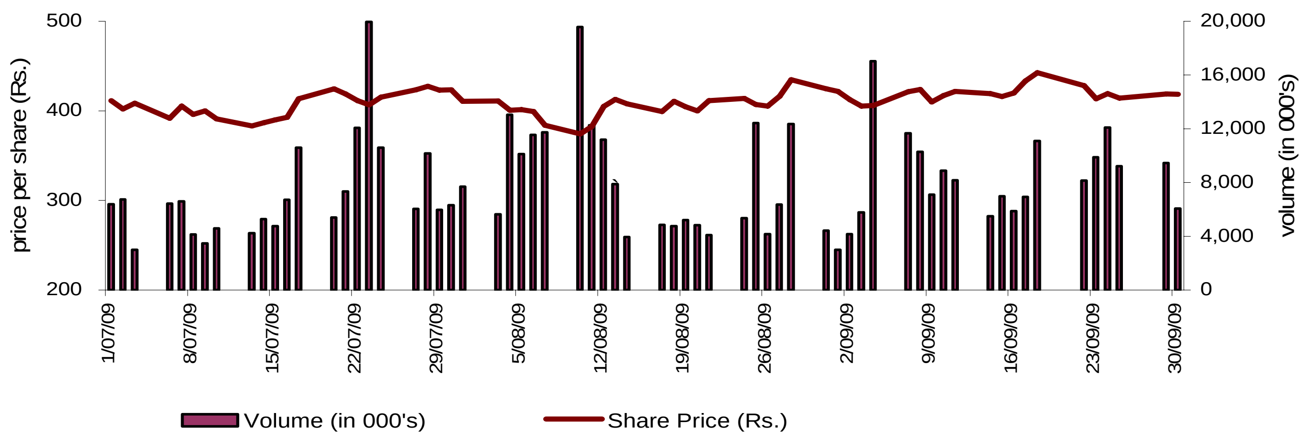
Shareholding and Financial Data		
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (30/09/09)	Million Nos.	3,796.84
Closing Market Price - BSE (30/09/09)	Rs./Share	418.55
Combined Volume (NSE & BSE) (01/07/09-30/09/09)	No. in Mn/day	7.93
Combined Value (NSE & BSE) (01/07/09-30/09/09)	Rs. bn./day	3.25
Market Capitalization	Rs. bn	1,589
Market Capitalization	US$ bn	33.08
Book Value Per Equity Share	Rs./share	91.94
Market Price/Book Value	Times	4.55
Net Debt to EBITDA (LTM)[12]	Times	0.26
Enterprise Value	Rs. bn	1,631
Enterprise Value	US$ bn	33.96
Enterprise Value/ Annualised Q2 Revenue	Times	4.14
Enterprise Value/ Annualised Q2 EBITDA	Times	9.85

Note 12: Net Debt to EBITDA (LTM) for the period amounts to 0.06 times exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

6.2 Summarized Shareholding pattern as of September 30, 2009

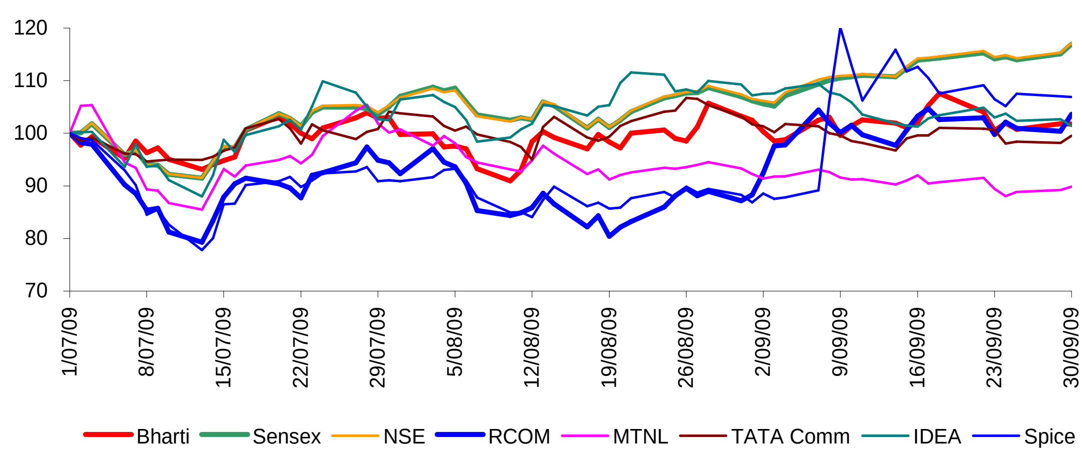
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,719,972,056	45.30%
Foreign	850,280,286	22.39%
Sub total	**2,570,252,342**	**67.69%**
Public Shareholding		
Institutions	1,007,470,470	26.53%
Non-institutions	219,119,518	5.77%
Sub total	**1,226,589,988**	**32.31%**
Total	**3,796,842,330**	**100.00%**

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



Source: Bloomberg

6.4 Comparison of Domestic Telecom stock movement with Sensex and Nifty



NSE	17.1%
Sensex	16.9%
Spice	6.9%
RCOM	3.6%
Bharti	1.7%
Idea	1.4%
TCOM	-0.4%
MTNL	-10.2%

Source: Bloomberg

SECTION 7

Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with US GAAP, 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 USGAAP**	**Location in this results announcement of reconciliation and further information**
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Operating Income	Consolidated : - Page 21, Mobile Services : - Page 22, Telemedia Services : - Page 22, Enterprise Services: - Page 23, Others: - Page 23, Passive Infrastructure Services : - Page 23.
Earnings before Interest and Taxation (EBIT)	Operating Income	Consolidated : - Page 21, Mobile Services : - Page 22, Telemedia Services : - Page 22, Enterprise Services: - Page 23, Others: - Page 23, Passive Infrastructure Services : - Page 23.
Cash Profit from Operations after Derivative and Exchange Fluctuations	Operating Income	Page 21
Income after current tax expenses	Income before taxation	Page 21
Net Revenues	Total revenues	Page 21
Total Non Current Assets	N.A	Page 22
Total Non Current Liabilities	N.A	Page 22
Earnings before Interest and Taxes	N.A.	Page 21
Total Revenues	N.A.	Page 21
Schedule of Cost of services	N.A	Page 24
Schedule of Operating expenses	N.A	Page 24
Schedule of Depreciation and Amortization	N.A	Page 24
Schedule of Net debt	N.A	Page 24
Schedule of Finance cost (net)	N.A	Page 25
Schedule of Income tax	N.A	Page 25

7.1 Reconciliation of Non-GAAP financial information based on USGAAP

7.1.1 Consolidated

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBITDA		
Operating Income	**26,620**	**53,808**
Depreciation and Amortization	14,796	29,126
EBITDA	**41,416**	**82,934**
Operating Income to Cash Profit from Operations		
Operating Income	**26,620**	**53,808**
Depreciation and Amortization	14,796	29,126
Interest income	392	8,448
Interest expense	(820)	(6,271)
Cash Profit from Operations	**40,988**	**85,111**
Operating Income to EBIT		
Operating Income	**26,620**	**53,808**
Less:		
Non operating expenses	4	135
Add:		
Other income	409	595
EBIT[13]	**27,025**	**54,268**

Note 13 *: EBIT - Earnings / (Loss) before interest, taxation and share of Profit/ (Loss) on JV for the relevant period.*

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Total Revenue to Net Revenue		
Total Revenue	**98,455**	**197,871**
Less:		
Access charges	10,699	22,070
Net Revenue	**87,756**	**175,801**
Income before Income taxes to Income after current tax expense		
Income before Income taxes	26,589	56,677
Less:		
Current tax expense	5,085	11,906
Income after current tax expense	**21,504**	**44,771**

7.1.1 Consolidated (cont.)

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Total Non Current Assets		
Property and equipment, net	431,746	431,746
Acquired intangible assets, net	13,362	13,362
Goodwill	27,054	27,054
Investment in associates and joint ventures	210	210
Restricted cash, non-current	14	14
Other assets	11,292	11,292
Total Non Current Assets	**483,678**	**483,678**

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Total Non Current Liabilities		
Long-term debt, net of current portion	48,857	48,857
Deferred taxes on income	3,029	3,029
Unearned income- Indefeasible right to use sales	3,193	3,193
Other liabilities	7,403	7,403
Total Non Current Liabilities	**62,482**	**62,482**

7.1.2 Mobile Services

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBITDA		
Operating Income	**17,910**	**37,053**
Depreciation and Amortization	7,950	15,990
EBITDA	**25,860**	**53,043**
Operating Income to EBIT		
Operating Income	**17,910**	**37,053**
Add:		
Other income	238	364
EBIT	**18,148**	**37,417**

7.1.3 Telemedia Services

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBITDA		
Operating Income	**1,875**	**3,650**
Depreciation and Amortization	1,792	3,480
EBITDA	**3,667**	**7,130**
Operating Income to EBIT		
Operating Income	**1,875**	**3650**
Add:		
Other income	11	23
EBIT	**1,886**	**3673**

7.1.4 Enterprise Services

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBITDA		
Operating Income	**9,197**	**17,837**
Depreciation and Amortization	1,826	3,432
EBITDA	**11,023**	**21,269**

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income to EBIT		
Operating Income	**9,197**	**17,837**
Add:		
Other income	154	254
EBIT	**9,351**	**18,091**

7.1.5 Others

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBITDA		
Operating Income	**(2,869)**	**(5,522)**
Depreciation and Amortization	535	1,052
EBITDA	**(2,334)**	**(4,470)**

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBIT		
Operating Income	**(2,869)**	**(5,522)**
Less:		
Non operating expenses	2	133
Add:		
Other Income	16	20
EBIT	**(2,855)**	**(5,635)**

7.1.6 Passive Infrastructure Services

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBITDA		
Operating Income	**509**	**834**
Depreciation and Amortization	3,511	6,743
EBITDA	**4,020**	**7,577**

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Operating Income To EBIT		
Operating Income	**509**	**834**
Less:		
Non operating expenses	1	1
Add:		
Other Income	29	29
EBIT	**537**	**862**

7.2 Schedules to Financial Statements

7.2.1 Schedule of Cost of services

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Access charges	10,699	22,070
Licence fees, revenue share and spectrum charges	10,222	20,348
Network operations costs	18,638	36,803
Employee costs	4,232	8,894
Depreciation and Amortization (excluding intangibles)	14,258	28,193
Cost of Services	**58,049**	**116,308**

7.2.2 Schedule of Operating expenses

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Network operations costs	18,638	36,803
Equipment costs	136	229
Employee costs	4,232	8,894
Selling, general and administrative costs	13,112	26,593
Operating Expenses	**36,118**	**72,519**

7.2.3 Schedule of Depreciation and Amortization

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Fixed Assets	13,993	27,685
Licence Fees	168	336
ESOP	423	733
Intangibles	212	372
Depreciation and Amortization	**14,796**	**29,126**

7.2.4 Schedule of Net debt

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Long term debt, net of current portion	48,857	48,858
Short-term borrowings and current portion of long-term debt	57,967	57,967
Less:		
Cash and cash equivalents	6,113	6,113
Restricted cash	85	85
Restricted cash, non-current	14	14
Short term investments	58,504	58,504
Net Debt [14]	**42,108**	**42,108**

Note 14: Net Debt for the period amounts to Rs 10,073 million exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

7.2.5 Schedule of Finance cost (net)

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Interest on borrowings	734	1,576
Finance charges	278	536
Finance income	(1,262)	(2,468)
Derivatives and exchange fluctuation	678	(1,821)
Finance cost (net)	**428**	**(2,177)**

7.2.6 Schedule of Income tax

Amount in Rs million

Particulars	Quarter Ended September 2009	Half Year Ended September 2009
Current tax expense	5,085	11,906
Deferred tax expense / (income)	(2,212)	(4,591)
Income tax expense	**2,873**	**7,315**

ANNEXURE – DETAILED FINANCIAL AND RELATED INFORMATION

A.1 Financial Statements as Per United States Generally Accepted Accounting Principles (US GAAP)

A.1.1 Consolidated Statement of Operations (as per US GAAP)

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sept. 2009	Sept. 2008	Y-on-Y Growth	Sept. 2009	Sept. 2008	Y-on-Y Growth
Revenues						
Services	97,013	88,988	9%	195,026	173,517	12%
Indefeasible right to use sales	1,304	109		2,607	218	
Equipment Sales	138	1,106	-88%	238	1,301	-82%
Total Revenues	**98,455**	**90,203**	**9%**	**197,871**	**175,036**	**13%**
Operating Expenses						
Cost of Services	(58,049)	(51,872)	12%	(116,308)	(99,051)	17%
(Inclusive of depreciation and amortization)						
Costs of Equipment sales	(136)	(865)	-84%	(229)	(1,049)	-78%
Selling, general & administrative expenses	(13,650)	(12,022)	14%	(27,526)	(24,316)	13%
(Inclusive of amortization of intangibles)						
Total Operating Expense	**(71,835)**	**(64,759)**	**11%**	**(144,063)**	**(124,416)**	**16%**
Operating Income	**26,620**	**25,444**	**5%**	**53,808**	**50,620**	**6%**
Interest expense	(820)	(9,181)		(6,271)	(14,397)	
Interest income	392	3,440		8,448	6,824	
Share of (loss)/profits in associates / joint ventures	(8)	(93)		232	(206)	
Other income	409	274	49%	595	859	-31%
Non operating expenses	(4)	(160)		(135)	(161)	
Income before Income Taxes	**26,589**	**19,724**	**35%**	**56,677**	**43,539**	**30%**
Income tax expense	(2,873)	1,247		(7,315)	(2,035)	
Net income	**23,716**	**20,971**	**13%**	**49,362**	**41,504**	**19%**
Net income attributable to non controlling interest	506	508		985	791	
Net income attributable to Bharti	23,210	20,463	13%	48,377	40,713	19%
Net Income	**23,716**	**20,971**	**13%**	**49,362**	**41,504**	**19%**
Earnings per share for profit attributable to common shareholders						
Basic[15]	6.12	5.40		12.76	10.74	
Diluted[15]	6.12	5.39		12.75	10.73	
Weighted average number of shares used in computing earnings per share						
Weighted average number of common shares (in millions)[15]	3,793	3,792		3,793	3,792	
Weighted average number of diluted shares (in millions)[15]	3,794	3,795		3,793	3,795	

Note 15: Adjusted for the share split approved by shareholders on 11th July 2009 for all the periods shown above.

A.1.2 Consolidated Balance Sheet (as per US GAAP)

Amount in Rs. Million

Particulars	As at September 30, 2009
ASSETS	
Cash and cash equivalents	6,113
Accounts receivable, net of allowances for doubtful debts	14,749
Unbilled receivables	9,383
Inventories	858
Short term investments	58,504
Deferred taxes on income	9,072
Derivative financial instruments	7,622
Restricted cash	85
Pre-paid expenses and other current assets	22,217
Due from related parties	9,563
Total Current Assets	**138,166**
Property and equipment, net	431,746
Acquired intangible assets, net	13,362
Goodwill	27,054
Investment in associates and joint ventures	210
Restricted cash, non-current	14
Other assets	11,292
Total Assets	**621,844**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Short-term borrowings and current portion of long-term debt	57,967
Trade payables	25,735
Equipment supply payables	51,227
Accrued expenses	25,092
Unearned income	27,056
Unearned income- Indefeasible right to use sales	292
Derivative financial instruments	427
Due to related parties	41
Other current liabilites	10,548
Deferred taxes on income	198
Total current liabilities	**198,583**
Long-term debt, net of current portion	48,857
Deferred taxes on income	3,029
Unearned income- Indefeasible right to use sales	3,193
Other liabilities	7,403
Total liabilities	**261,065**
Stockholders' equity	
Common stock	18,984
Additional paid in capital	74,943
Treasury stock	(101)
Retained earnings	254,599
Accumulated other comprehensive income (loss)	666
Total stockholders' equity	**349,091**
Non Controlling Interest	11,688
Total Equity	**360,779**
Total liabilities and stockholders' equity	**621,844**

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

Amount in Rs. Million

Particulars		Quarter ended September 30, 2009	Half year ended September 30, 2009
Cash flows from operating activities			
Net income	**a**	**23,210**	**48,377**
Add: Non Cash items	**b**		
Depreciation and amortization		14,796	29,126
Tax expense / (income)		2,873	7,315
Impact of fair valuation of financial instruments		495	(2,188)
Cash generated from operations before working capital changes	**c=a+b**	**41,374**	**82,630**
(Increase)/decrease in working capital		(6,474)	(4,609)
(Increase)/decrease in non-current assets		(872)	(1,822)
Increase/(decrease) in non-current liabilities		(166)	(71)
Net cash provided/(used) by/in operating activities	**d**	**(7,512)**	**(6,502)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(22,788)	(49,879)
(Investment) / sale in associate		(88)	(82)
Net cash provided/(used) by/in investing activities	**e**	**(22,876)**	**(49,961)**
Cash flows from financing activities			
Increase/(decrease) in borrowings		(5,325)	(7,220)
Increase/(decrease) in Stockholders Equity		(4,117)	(3,397)
Net cash provided/(used) by/in financing activities	**f**	**(9,442)**	**(10,617)**
Cash and cash equivalents[16]			
Beginning of the period	**g**	63,172	49,166
End of the period	**h=c+d+e+f+g**	64,716	64,716

Note 16: Includes short-term investments, restricted cash, restricted cash non-current.

A.2 Trend and Ratio Analysis

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

A.2.1 Based on Statement of Operations

Amount in Rs. Million

Parameters	For the Quarter Ended				
	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08
Total Revenues	98,455	99,416	98,245	96,334	90,203
Access and interconnection charges	10,699	11,371	14,149	13,426	12,902
Operating Expenses	36,118	36,401	33,474	33,426	31,212
Licence Fee	10,222	10,126	10,608	10,030	9,096
EBITDA	41,416	41,518	40,014	39,450	36,993
Cash profit from operations after Derivative and Exchange Fluctuations	40,988	44,123	37,878	37,546	31,252
Income before income taxes	26,589	30,088	24,906	24,629	19,724
Net income	23,210	25,167	22,393	21,593	20,463

	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08
As a % of Total Revenues					
Access and interconnection charges	10.9%	11.4%	14.4%	13.9%	14.3%
Operating Expenses	36.7%	36.6%	34.1%	34.7%	34.6%
Licence Fee	10.4%	10.2%	10.8%	10.4%	10.1%
EBITDA	42.1%	41.8%	40.7%	41.0%	41.0%
Cash profit from operations after Derivative and Exchange Fluctuations	41.6%	44.4%	38.6%	39.0%	34.6%
Income before income taxes	27.0%	30.3%	25.4%	25.6%	21.9%
Net income	23.6%	25.3%	22.8%	22.4%	22.7%

A.2.2 Based on Balance Sheet

Amount in Rs. Million

Parameters	As at				
	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08
Stockholder's Equity	349,091	329,876	303,945	281,233	259,280
Net Debt	42,108	47,790	69,635	64,923	50,731
Capital Employed = Stockholder's equity + Net Debt	391,199	377,666	373,580	346,156	310,011

Parameters	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08
Return on Stockholder's equity (LTM)	30.3%	31.8%	32.6%	34.1%	35.9%
Return on Capital Employed (LTM)	26.0%	28.5%	30.8%	32.5%	33.9%
Net Debt to EBITDA (LTM) [17]	0.26	0.30	0.46	0.45	0.38
Assets Turnover ratio (LTM)	102.3%	105.5%	106.2%	107.7%	108.6%
Interest Coverage ratio (times)	56.40	49.34	45.84	40.54	44.46
Book Value Per Equity Share (in Rs)	91.9	86.9	80.1	74.1	68.3
Net debt to Stockholders' Equity (Times) [17]	0.12	0.14	0.23	0.23	0.20
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)[18]	6.12	6.64	5.90	5.69	5.40
Net profit/(loss) per diluted share (in Rs)[18]	6.12	6.63	5.90	5.69	5.39
Market Capitalization (Rs. bn)	1,589	1,523	1,188	1,357	1,490
Enterprise Value (Rs. bn)	1,631	1,570	1,253	1,422	1,541

Note 17: Net Debt to EBITDA (LTM) for the period amounts to 0.06 times and Net Debt to Stockholders Equity amounts to 0.03 exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.
Note 18: Adjusted for the share split approved by shareholders on 11th July 2009 for all the periods shown above.

A.2.3 Bharti's Three Line Graph

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

The parameters considered for the three-line graph are:

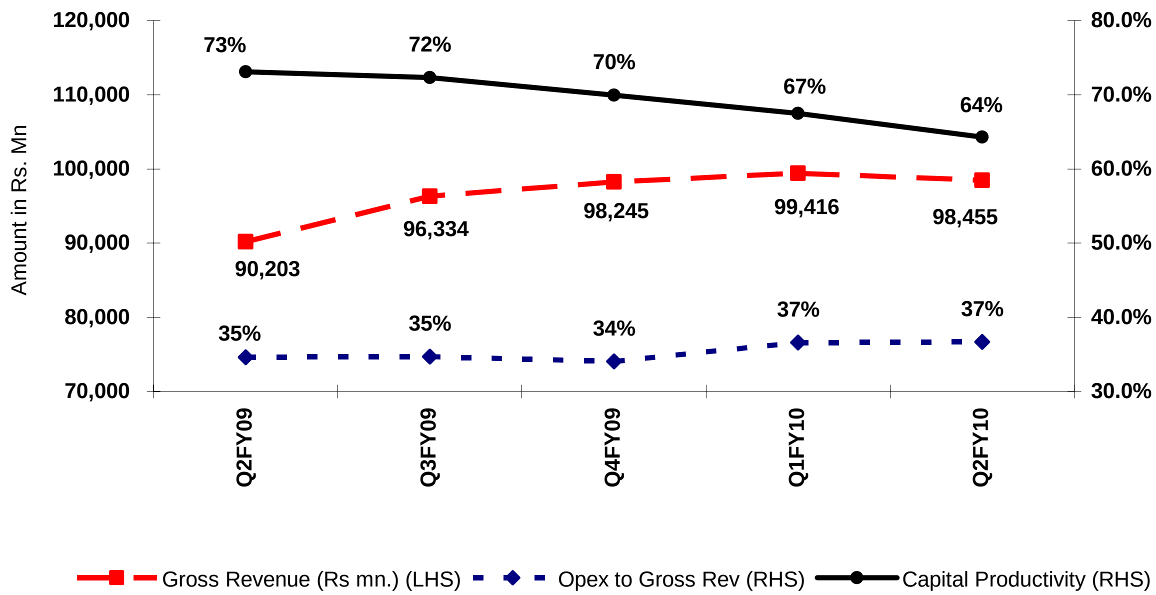
1. Gross Revenues i.e. absolute turnover/sales

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

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

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

Given below is the graph for the last five quarters of the company:



A.2.4 Operational Performance

Parameters	Unit	Sept. 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008
Consolidated						
Customers	000's	113,440	105,196	96,649	88,270	79,989
Employees[19]	No.	18,598	23,789	24,538	25,553	25,616
Mobile services						
Customers	000's	110,511	102,368	93,923	85,651	77,479
Pre-paid customers as a % of total customers	%	95.2%	94.7%	94.2%	93.5%	92.9%
Post-paid customers as a % of total customers	%	4.8%	5.3%	5.8%	6.5%	7.1%
Bharti's mobile subscribers market share[20]	%	23.5%	24.0%	24.0%	24.7%	24.6%
Average Revenue Per User (ARPU)	Rs.	252	278	305	324	331
Average Rate Per Minute (ARPM)	Rs	0.56	0.58	0.63	0.64	0.63
Average Minutes of Use Per User	Minutes	450	478	485	505	526
Post-paid Voluntary Churn	%	0.9%	1.2%	1.2%	1.1%	1.1%
Post-paid Company Initiated Churn	%	1.0%	1.3%	1.4%	1.2%	1.4%
Pre-paid Churn	%	4.6%	3.5%	3.2%	2.9%	3.2%
SMS Revenue as a % of Total Mobile Revenues	%	4.9%	4.3%	3.7%	4.1%	4.3%
Employees	No.	7,322	7,646	7,832	8,115	8,133
Telemedia Services						
Customers	000's	2,928	2,828	2,726	2,619	2,509
Average Revenue Per User (ARPU)	Rs.	989	1,027	1,071	1,098	1,147
Employees	No.	4,705	9,514	10,022	10,827	11,214
Enterprise Services						
Employees	No.	3,191	3,364	3,646	3,701	3,686
Others						
Employees	No.	2,604	2,539	2,418	2,330	2,233
Passive Infrastructure Services						
Employees [21]	No.	776	726	620	580	350

Note 19:Total Employees for Q2FY10 is after migration of employees to Alcatel Lucent Management Services India Limited and other outsourcing initiatives.
Note 20: All India mobile subscribers for the month of July 2009 and August, 2009 are as per report published by TRAI. Due to the non publication of TRAI report for September 2009 as on date, all India mobile subscriber net additions for September 2009 are as reported by COAI and AUSPI.
Note 21: Employee numbers pertain to Bharti Infratel only.

A.2.5 Traffic, Coverage and Network Trends

Parameters	Unit	Sept. 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008
Mobile Services	Mn Min	143,680	140,713	130,669	123,626	115,834
Telemedia Services	Mn Min	4,796	4,746	4,737	4,750	5,002
National Long Distance Services	Mn Min	12,417	11,781	11,690	11,609	11,349
International Long Distance Services	Mn Min	3,181	2,869	2,772	2,603	2,284
Total Minutes on Network [22]	**Mn Min**	**164,073**	**160,109**	**149,867**	**142,588**	**134,470**

Note 22: The minutes are gross of inter-segment eliminations

Parameters	Unit	Sept. 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008
Mobile Services						
Census Towns	No.	5,072	5,067	5,060	5,057	5,050
Non-Census Towns and Villages	No.	429,723	423,149	414,906	401,882	384,521
Population Coverage	%	83%	82%	81%	79%	77%
Network Sites	No.	99,501	96,149	93,368	88,319	82,554
Telemedia Services						
Cities covered	No.	95	95	95	95	95
Enterprise Services (National Long Distance)						
Optic Fibre Network	RKms	113,326	104,540	101,337	90,205	83,389

A.2.6 Passive Infrastructure Services

A.2.6.1 Bharti Infratel

Parameters	Unit	Sept. 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008
Total Towers[23]	No.	29,112	28,078	27,548	61,355	59,966
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs.	36,696	36,420	33,586	31,488	32,177
Sharing Factor	Times	1.49	1.43	1.34	1.34	1.26

Note 23: Total towers as on September 30, 2009, June 30, 2009 and March 31, 2009 are excluding 35,066 towers in 12 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009

A.2.6.2 Indus Towers

Parameters	Unit	Sept. 30, 2009	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008
Total Towers[24]	No.	100,728	97,925	95,154	-	-
Key Indicators						
Sharing Factor	Times	1.61	1.55	1.48	-	-

Note 24: Bharti Infratel holds 42% in Indus towers

A.3 Key Accounting Policies as per US GAAP

1. Joint Ventures

The Group's interest in Joint ventures in which the Group has a majority interest, but does not control due to significant participatory rights of the minority stockholders are accounted for under the equity method of accounting and is initially recognized at cost. Under this method, the Group's share of the post-acquisition profits or losses of the joint venture is recognized in the consolidated statement of income and its share of post-acquisition movements in equity is recognized in equity. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealized gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in joint venture includes goodwill identified on acquisition.

The Group's interest in jointly controlled entities is accounted for by the equity method of accounting and is initially recognized at cost.

2. Property and equipment

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

Depreciation and amortization 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	5
Leasehold improvements	Remaining period of Lease or 10 years whichever is less
Assets individually costing Rs. 5 thousand or less	1

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 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 represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary or jointly controlled entity 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.

The Group adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," which sets forth the accounting for goodwill and intangible assets subsequent to their acquisition. SFAS 142 requires that goodwill and indefinite-lived intangible assets be allocated to the reporting unit level, which the Group defines as each circle. FAS 142 also prohibits the amortization of goodwill and indefinite-lived intangible assets, but requires that they be tested for impairment at least annually, or more frequently as warranted, at the reporting unit level. Goodwill of a reporting unit is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

The Group adopted ASC 350-10 (SFAS No. 142, "Goodwill and Other Intangible Assets" ('SFAS 142')) which sets forth the accounting for goodwill and intangible assets subsequent to their acquisition. ASC 350-10 (SFAS 142) requires that goodwill and indefinite-lived intangible assets be allocated to the reporting unit level, which the Group defines as each circle. ASC 350-10 (SFAS 142) also prohibits the amortization of goodwill and indefinite-lived intangible assets, but requires that they be tested for impairment at least annually, or more frequently as warranted, at the reporting unit level. Goodwill of a reporting unit is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

The goodwill impairment test under ASC 350-10 (SFAS 142) is performed in two phases. The first step of the impairment test, used to identify potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, goodwill of the reporting unit is considered impaired, and step two of the impairment test must be performed. The second step of the impairment test quantifies the amount of the impairment loss by comparing the carrying amount of goodwill to the implied fair value. An impairment loss is recorded to the extent the carrying amount of goodwill exceeds its implied fair value.

4. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in the functional currency Indian Rupees at the rates of exchange in effect at the balance sheet date. Transactions in foreign currencies are recorded at rates ruling on the transaction dates. Gains or losses resulting from foreign currency transactions are included in the consolidated statement of income.

The balance sheets and statements of operations of the Group's foreign operations are measured using the local currency as the functional currency. Assets and liabilities of these foreign operations are translated to Rupees at period end exchange rate and revenue and expense amounts are translated to Rupees at the average rates of exchange prevailing during the period. The resulting foreign currency translation adjustments are accumulated as a component of other comprehensive income.

5. Capital leases

Lessee accounting

Assets acquired under capital lease are capitalized as assets by the Group at the lower of fair value of the leased property or the present value of the related lease payments or where applicable, estimated fair value of such assets. Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease poriod. 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. 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.

7. 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 the other operator for local, domestic long distance and international calls.

Service revenues are recognized as the services are rendered and are stated net of discounts 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 their estimated useful life, which is consistent with the estimated churn of customers. 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 fee on recharge coupon 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 use. Revenue is stated net of discounts and waivers.

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

Unearned revenue 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 enters into certain multiple-element revenue arrangements which 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 with ASC 605-25 (EITF 00-21 "Revenue Arrangements with Multiple Deliverables").

The Group has determined that objective and reliable evidence of fair value does not exist for undelivered items in arrangements involving the bundling of sales of VSAT and internet equipment with provision of internet and satellite services or for other arrangements with multiple deliverables. Accordingly, equipment sales for these arrangements are deferred and amortized over the term of the arrangement. The arrangement consideration allocated to delivered items that do not qualify as separate units of accounting are combined with the other applicable undelivered items within the arrangement. The Group then recognizes revenue for those combined deliverables as a single unit of accounting over the term of the arrangement.

8. License fees

Licenses signed prior to NTP - 99

Annual license fees incurred by the Group under the old license fee regime until the date of migration to the NTP - 99, i.e. July 31, 1999 and revenue-share fees from the date of migration to NTP – 99 were expensed as incurred. However, the Group's share of licenses acquired under business combinations during the old license regime, prior to July 31, 1999, were accounted for at their respective fair values as at the date of acquisition and are amortized on a straight-line basis over the remaining period of the license from the date of acquisition of respective circles. Upon the migration to the NTP - 99, the remaining unamortized cost of such licenses acquired had been carried over and forms a part of the new cost basis for the license signed under NTP - 99. Amortization of licenses is recorded as a component of depreciation and amortization.

Licenses signed under NTP - 99

License agreements signed/awarded under NTP - 99 stipulate the payment of: 1) one time fee termed as 'license entry fee' to obtain the right to operate services and 2) annual usage charge on the basis of the percentage of revenues i.e. 'revenue share'.

License entry fees were recognized as an intangible asset and were measured initially at cost. After initial recognition, license entry fees are measured at cost less accumulated amortization and any impairment losses that have been recognised. License entry fees are amortized on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective circles. The Group's share of licenses acquired under business combinations arising after the 'applicability' of NTP - 99 were accounted for at their respective fair values as at the date of acquisition and are amortized on a straight line basis over the remaining period of the license. Amortization of license entry fees is recorded as a component of depreciation and amortization. The revenue-share fee is computed on the basis of Adjusted Gross Revenue ('AGR') and is expensed as incurred.

UASL Licenses & license fees

The Group has migrated its cellular mobile licenses in 15 circles to Unified Access Service Licenses (UASL) after obtaining the necessary approvals from DoT. UASL permits the licensee to provide basic and / or cellular services using any technology in a defined service area.

UASL entry fees were recognized as an intangible asset and were measured initially at cost. After initial recognition, license entry fees are measured at cost less accumulated amortization and any impairment losses that have been recognised. License entry fees are amortized on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective circles.

9. 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. The methodologies used for valuation of these intangibles are as follows:

- Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of such license, not exceeding three years. Software upto Rs. 500 (thousand) is written off in the year placed in service.
- Bandwidth capacities are capitalized at the amounts paid to acquire the capacities and are amortized over the period of the agreement subject to a maximum of 18 years.
- Brands are valued using the Royalty Relief approach and are amortized on a straight-line basis over the period of expected benefit, not exceeding the life of the licenses and are written off in their entirety when no longer in use.
- Customer relationships reflect the estimated fair value of the customer accounts acquired from which the Group can expect to derive future benefits over the estimated life.
- Distribution networks reflect the fair value of the estimated benefit and are amortized over an estimated useful life of three years.
- The fair value of licenses are valued using the Market Value Approach. The licenses are amortized over the remaining license period
- Noncompete clauses are fair valued based on the actual and projected business plans and are amortized on a straight-line basis over the remaining period of license.

Amortization of intangible assets is disclosed as part of cost of services and selling, general and administrative expenses in the consolidated statement of income.

10. Income-taxes

In accordance with the provisions of ASC 740-10 (SFAS 109, "Accounting for Income Taxes"), income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of income in the period in which the change is enacted. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

11. Pre operating costs

Pre operating costs represent certain marketing and administrative expenses incurred prior to the commencement of commercial operations of the new circles. These costs are expensed as incurred.

12. 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.

ASC 815-10 (SFAS No. 133, ''Accounting for Derivative Instruments and Hedging Activities'' ('SFAS 133')), requires that all derivative instruments be 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.

13. Asset Retirement Obligations

Asset retirement obligations associated with the Group's wireless and wireline services' cell sites, switch sites, retail, and administrative location operating leases are subject to the provisions of ASC 410-20 (SFAS No. 143 "Accounting for Asset Retirement Obligations" and FASB interpretation no. 47 "Accounting for Conditional Asset Retirement Obligation"). The lease agreements entered into by the Group may contain clauses requiring restoration of the leased site at the end of the lease term and therefore create asset retirement obligations. The Group records the fair value of a liability for an asset retirement obligation in the period in which it is incurred and capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the estimated useful life of the related asset. Upon settlement of the liability, the Group either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

14. Indefeasible right to use (IRU)

Fibre and duct are sold as part of the operations of the Group's Enterprise services business. The Group has determined these as integral equipment. Under the agreements, title is not transferred to the lessee. The transactions are therefore recorded as operating lease agreements. Direct expenditures incurred in connection with agreements are capitalized and expensed off over the term of the agreement. The contracted sales price is primarily paid in advance and is recognized as revenue during the period of the agreement. IRU Sales not recognized in consolidated statements of income, net of amount recognizable within one year is recorded as unearned income in non-current liability and amount recognizable within one year is recorded as unearned income in the current liabilities. Cashless swap of IRU where either the fair value of the equipment relinquished can not be reasonably determined or the group has continuing involvement with the equipment transferred are accounted for at costs.

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 for more than 90 days in case of active subscribers and for all amounts outstanding from customers who have been deactivated as reduced by security deposits, or in specific cases where management is of the view that the amounts are not recoverable. The Group provides for receivables outstanding for more than 105 days for site sharing debtors for passive infrastructure. For receivables due from the other operators on account of their NLD and ILD traffic, IUC and roaming charges, the Group provides for amounts outstanding for more than 120 days from the date of billing net of any amounts payable to the operators pertaining to the same period or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

16. Issuance of Stock by Subsidiaries

At the time a subsidiary sells its stock to unrelated parties at a price less than or in excess of its book value, the Company's investment in that subsidiary's net assets decreases/increases. The Company's policy is to record such changes in its Consolidated Statement of Stockholders' Equity.

A.4 Summarized Consolidated Profit & Loss Statement as per Indian GAAP

Amount in Rs million

Particulars	Quarter ended September 30, 2009	Half year ended September 30, 2009
	Audited	Audited
Service Revenue	103,351	207,549
Sales of Goods	201	302
Total Income	**103,552**	**207,851**
Profit before Finance Expenses /(Income) (Net), Depreciation, Amortization, Pre-operative Expenditure,Charity and Donation, Taxation and Other Income	**43,176**	**86,436**
Finance expenses (net)	1,591	(1,965)
Depreciation and Amortization	14,996	29,369
Amortisation	946	1,765
Share of profits/ (Loss) in associates / joint ventures	(6)	(6)
Other Income	379	567
Charity and Donation	4	135
Profit Before tax	**26,012**	**57,691**
Tax Expenses/ (Income)		
-Current Tax	2,245	5,590
-Deferred Tax	716	2,100
Profit After Tax	**23,051**	**50,002**
Minority Interest	509	981
Profit for the period	**22,542**	**49,021**

A.5 Summary of Differences in Net income/ Profit between USGAAP (audited) and Indian GAAP (audited)

Amount in Rs million

Particulars	Quarter ended September 30, 2009	Half year ended September 30, 2009
Net profit / (loss) as per US GAAP	**23,210**	**48,377**
Add: Differences on account of:		
Being difference in revenue recognition	52	64
Differences in accounting for finance charges	(52)	1,899
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	71	167
Less: Differences on account of:		
Amortisation of Goodwill/ Intangibles	202	401
License fee amortisation	146	292
Remeasurement of financial instruments not applicable in IGAAP	257	498
Minority Interest and loss of Joint Venture	24	25
Deferred Tax expense	106	266
Consolidation of ESOP trust	4	4
Net profit/(loss) as per Indian GAAP	**22,542**	**49,021**

GLOSSARY

Technical and Industry Terms

Company Related	
Access and Interconnection Charges / Total Revenues	Access and interconnection charges for the relevant period divided by total revenues for the relevant period.
AGR	Adjusted Gross Revenues. Used for computing the License Fees and WPC charges payable by an Access Provider and have been provisionally defined as gross revenue of the Access Provider net of access charges actually paid to other telecom service providers, roaming revenues passed on to other telecom service providers and service tax and sales tax actually paid to the Government, if the same had been included in the Gross Income.
ARPU (for Mobile and Telemedia Services)	Average revenue per customer per month is computed by: dividing the total revenues, excluding equipment sales during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
ARPM (Average Rate Per Minute)	Average Rate Per Minute is computed by: Dividing the total revenues by total minutes.
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Minutes of Use per user	Average minutes of usage per customer per month is calculated by dividing the total minutes of usage (incoming, outgoing and in-roaming) on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Average Sharing Operators	Average Sharing Operators are derived by computing the average of the monthly average sharing operators for the relevant period
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Towers	Average towers are derived by computing the average of the monthly average towers for the relevant period
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by issued and outstanding equity shares as at the end of the relevant period.
Capital Employed	Capital Employed is defined as sum of stockholder's equity and net debt.
Cash Profit From Operations	It is not a US GAAP measure and is defined as operating income adjusted for depreciation and amortization, pre-operating costs, interest expense and interest income.
Cell	Cell means the radio frequency coverage area of a site in radio access network which is part of a cellular mobile telephone network
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. Post-paid churn has been subdivided into: a) Voluntary: indicating the number of subscribers who opt out of the network at their own behest. b) Company initiated churn: indicating the number of subscribers whose churn is initiated by the company due to non-payment.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
DTH	Direct to Home broadcast service
Earnings Per Basic Share.	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.
Earnings Per Diluted Share	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.

	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 US GAAP measure and is defined as operating income adjusted for depreciation and amortization and pre-operating costs.
EBITDA Margin or EBITDA / Total Revenues	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	Earnings / (Loss) before interest, taxation and share of Profit/ (Loss) on JV for the relevant period. It is equivalent to Income/ (loss) before interest income, interest expense, taxes and share of Profit / (Loss) on JV.
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.
Income/(loss) after current tax expense	It is not a US GAAP measure and is defined as Income/ (loss) before taxation adjusted for current tax expense.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
Investments in projects	The investment in projects comprises gross fixed assets, intangible assets, capital work in progress, gross goodwill, investment in JV's and one-time entry fee paid towards acquisition of licenses.
ICT	Information Communication Technology
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.
LTM	Last twelve months.
Market Capitalization	Number of issued and outstanding shares as at end of June 30, 2009 multiplied by closing market price (BSE) as at end of June 30, 2009.
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	MPLS stands for Multi Protocol Label Switching network created on SDH platform. It simplifies the configuration and management of larger networks as point to point connections are not required.
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 US GAAP measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, restricted cash, restricted cash non-current, short-term investments and investments as at the end of the relevant period.
Net Debt to EBITDA	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to Stockholder's Equity	It is computed by dividing net debt as at the end of the relevant period by stockholder's equity as at the end of the relevant period.
Net Revenues	It is not a US GAAP measure and is defined as total revenues adjusted for access charges for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as a % of consolidated revenue	It is computed by dividing the total non-voice revenue of the company (consolidated) by the total revenues for the relevant period. Non-voice revenues include VAS Revenues for Mobile, VAS and Internet Revenues for Telemedia Services, Bandwidth Revenue for Long Distance Services, and Bandwidth and Internet Revenues for Enterprise Services.

Non Voice Revenue as a % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue for mobile services includes revenues from value added services (including SMS, GPRS, MMS, Ring Back Tones etc.).
Operating Income	Operating Income is defined as total revenues less total operating expenses for the relevant period.
POI	The geographical location where two networks interconnect and exchange traffic
POP	Point of Presence. POP means a technical arrangement made by the National Long Distance Service Operator under which it can accept outgoing calls from and deliver terminating calls to the area required to be served from such Point of Presence.
Post-Paid Services	The provision of mobile services, wherein the subscribers pay for usage including airtime, rental value added services, access and interconnection charges and any other applicable charges at the end of the billing period.
Pre-Paid Services	The provision of mobile services wherein subscribers pay a fixed amount, which is valid for a certain period, for usage including airtime, value added services, access and interconnection charges and any other applicable charges prior to commencement of service.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2006, 2007, 2008 and 2009, 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 Stockholder's Equity	For the full year ended March 31, 2006, 2007, 2008 and 2009, it is computed by dividing net profit for the period by the average (of opening and closing) Stockholder's equity. 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.
SDH	Synchronous Digital Hierarchy. It is a standard technology for synchronous data transmission on optical media, and provide faster and less expensive network interconnection.
Sharing revenue per Sharing Operator per month	It is computed by dividing gross revenue less energy and other pass through, from Passive Infrastructure services by average sharing operators.
Sharing factor	It is computed by dividing average sharing operators by average towers
Total Towers	It is the sum of ground based towers, roof top towers and Others.
Total Operating Expenses / Total Revenues	Total operative expenses for the relevant period divided by total revenues for the relevant period.
Total Operating Expenses	It is defined as sum of equipment costs, employee costs, network operations costs and selling, general and administrative cost for the relevant period.
Regulatory	
AUSPI	Association of Unified Telecom Service Providers of India.
BSO	Basic Service Operator
BWA	Broadband Wireless Access
COAI	Cellular Operators Association of India
CMSP	Cellular Mobile Service Provider.
CMTS	Cellular Mobile Telephone Service
DHQ	District Head Quarters
DoT	Department of Telecommunications

EVDO	Evolution Data Only
ILDO	International Long Distance Operator
IN	Intelligent Network
ISP	Internet Service Provider
IUC	Interconnection Usage Charges.
LDCA	Long Distance Charging Area
MNO	Mobile Network Operator
MNP	Mobile Number Portability
NLDO	National Long Distance Operator
Paging Channel	Paging Channel means a signaling control channel in a CDMA network
PLMN	Public Land Mobile Network
PSTN	Public Switch Telephone Network
SDCA	Short Distance Charging Area
SDCCH	Stand-alone Dedicated Control Channel or SDCCH means, a GSM control channel for signaling purposes
TCH	Traffic Channel or TCH means, a logical channel in a GSM or CDMA network which carries either encoded speech or user data
TDSAT	Telecom Disputes Settlement & Appellate Tribunal.
TEC	Telecom Engineering Centre.
TRAI	Telecom Regulatory Authority of India.
UASL	Unified Access Service License.
USOF	Universal Service Obligation Fund.

Others (Industry)

BSE	The Stock Exchange, Mumbai
GSM	Global System for Mobile Communications.
IGAAP	Generally Accepted Accounting Principles in India.
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.
USGAAP	United States Generally Accepted Accounting Principles.

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