bharti

Quarterly report on the results for the fourth quarter and full year ended March 31, 2010

Bharti Airtel Limited

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

April 28, 2010

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. 45.14 = US $1.00, being the RBI Reference rate as announced by the Reserve Bank of India on March 31, 2010. 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 Infratel Ventures Limited (subsidiary of Bharti Infratel Limited), 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), Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, and Warid Telecom International Limited.

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

TABLE OF CONTENTS

Section 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended March 31,				Quarter Ended			
		2007	2008	2009	2010	June 30, 2009	Sept. 30, 2009	Dec. 31, 2009	Mar. 31, 2010
Total Customer Base	**000's.**	**39,013**	**64,268**	**96,649**	**130,686**	**105,196**	**113,440**	**121,853**	**130,686**
Mobile Services	000's.	37,141	61,985	93,923	127,619	102,368	110,511	118,864	127,619
Telemedia Services	000's.	1,871	2,283	2,726	3,067	2,828	2,928	2,989	3,067
Consolidated financials as per US GAAP									
Revenue	INR Mn.	185,196	270,250	369,615	396,150	99,416	98,455	97,722	100,557
EBITDA	INR Mn.	74,508	113,715	151,678	160,268	41,518	41,416	39,112	38,222
Cash profit from operations	INR Mn.	73,070	111,374	140,065	166,050	44,123	40,988	40,881	40,058
Income before income taxes	INR Mn.	48,860	76,537	93,073	106,978	30,088	26,589	25,716	24,586
Net income	INR Mn.	42,571	67,008	84,699	91,026	25,167	23,210	22,098	20,551
Consolidated financials as per US GAAP									
Revenue	US$ Mn.	4,297	6,753	7,254	8,776	2,077	2,049	2,093	2,228
EBITDA	US$ Mn.	1,729	2,841	2,977	3,550	867	862	838	847
Cash profit from operations	US$ Mn.	1,695	2,783	2,749	3,679	922	853	876	887
Income before income taxes	US$ Mn.	1,134	1,912	1,827	2,370	629	553	551	545
Net income	US$ Mn.	988	1,674	1,662	2,017	526	483	473	455
Key Ratios									
Underlying EBITDA Margin[4]	%	40.2%	42.1%	41.0%	40.7%	41.8%	42.1%	40.0%	39.0%
Net Profit Margin	%	23.0%	24.8%	22.9%	23.0%	25.3%	23.6%	22.6%	20.4%
Net Debt to Stockholders Equity	Times	0.31	0.19	0.23	(0.03)	0.14	0.12	0.05	(0.03)
Return on Stockholders Equity	%	37.4%	38.0%	32.5%	25.4%	31.8%	30.3%	28.4%	25.8%
Return on Capital employed	%	28.2%	31.7%	30.4%	22.0%	28.5%	26.0%	24.1%	22.0%

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. 43.10 for the financial year ended March 31, 2007 (b) 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, (c) Rs.50.95 for the financial year ended March 31, 2009 (d) Rs 47.87 for the quarter ended June 30, 2009 (e) Rs. 48.04 for the quarter ended September 30, 2009, (f) Rs. 46.68 for the quarter ended December 31, 2009 (g) Rs. 45.14 for the quarter ended March 31, 2010 being the RBI Reference rate as announced by The Reserve Bank of India at the end of the respective periods.*
4. *Underlying EBITDA Margin is computed before acquisition related costs of Rs. 976 million for the Quarter Ended March 31, 2010 and Full Year Ended March 31, 2010.*

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, Srilanka and now in Bangladesh. We served an aggregate of 130,686,172 customers as of March 31, 2010, in India of whom 127,619,314 subscribe use our GSM services and 3,066,858 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 March 31, 2010. 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, Sri Lanka and now in Bangladesh. We have the largest customer base in India in the wireless segment. We had 127,619,314 mobile customers with a Customer Market Share (CMS) of 21.8% in India, as on March 31, 2010. We offer post-paid, pre-paid, roaming and value added services through our extensive sales and distribution channel covering 1.47 million outlets. Our network is present in 5,091 census towns and 438,933 non-census towns and villages in India, thus covering approximately 84.2% of the country's population.

Airtel Sri Lanka has over a million customers, having a 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.

Airtel has started telecom operations in Bangladesh with the acquisition of a 70% stake in Warid Telecom, Bangladesh. It offers mobile services across 64 districts of Bangladesh with a distribution network of 124 distributors and 34,000 retailers across the country, catering to a sizeable customer base. Bangladesh, with a population of over 160 million and teledensity of 32% is a very promising market for telecom services.

Telemedia Services – We provide broadband (DSL), data and telephone services (fixed line) in 89 cities with growing focus on the various data solutions for the Small & Medium Business (SMB) segment. We had 3,066,858 customers of which 42.3% were subscribing to broadband / internet services, as on March 31, 2010. 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 the SMB segment 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 Services business unit 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 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 126,357 Route km's of optical fibre, with over 4,488 Points of Presence. We have over 1,700 Points of Interconnect (POIs) with the local exchanges, providing a pan India reach. We have made significant investments in new submarine cable systems, extending our reach all across the globe with over 225,000 Route km's, covering 50 countries across 5 Continents.

We serve as the single point of contact for all telecommunication needs for corporate customers by providing a full suite of communication services across data, voice, network integration, and managed services. We are regarded as the trusted communications partner to India's leading organizations, helping them to meet the challenges of growth.

In order to enhance Internet user experience in the Internet market space we have strategically partnered with Limelight Networks for Global Content Delivery Networks. The Partnership offers our business customer access to Limelight Networks 25 Delivery Centres and 900 last mile networks across the globe. We have also forayed into the Media & Entertainment industry with the launch of Digital Media Business, enabling a clear demand for secure digital distribution medium across multiple platforms, positioning India as an innovation hub for global content and format delivery.

Digital TV Services - Airtel Digital TV has a base of over 2.5 million customers, adding a sizeable number to this base every month and growing from strength to strength. Our distribution reach spans the length and breadth of the country. We are present in all four regions across the country, available in over 5,000 towns and 15,000 villages. Our Distribution & Customer Service expertise helps us to serve customers in even the most remote parts of the country. This coupled with our State of the art technology & constant product innovation makes us the first choice for any prospective customer, further substantiated by the fact that Airtel Digital TV has been acquiring one out of every four new customer additions in the DTH Industry in the last 3 quarters.

Apart from a superior viewer experience we offer exciting pay per view content and interactive services. Recently we have launched Airtel digital TV Recorder wherein, for the first time in India, customers will be able to record live TV through their mobile phones. This is the first true convergence of TV Screen with Mobile screen in India.

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 30,568 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 102,938 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 - Our unique outsourcing business model has helped forging long term strategic partnerships with global leaders, who share the same drive for co-creating innovative solutions suitable for Indian market, in all key areas of our equipment and technology buying.

IBM is our strategic partner for all business and enterprise IT systems. Our contract with IBM caters to technology evolution, scale, tariff changes and subscriber growth. There are more than 90 hardware, software and service providers serving us through IBM.

On the GSM/Wireless equipment side, we have partnered with Ericsson, Nokia Siemens for 2G/2.5G network in India & we have also partnered with Huawei for the supply of 2G & 3G network in Sri Lanka. Recently we have extended our agreement with Ericsson and Nokia Siemens Network (NSN) to cover further expansion of 2G wireless network for the next two years. These equipment vendors also have the managed services contracts for the respective circles/country and take care of the Network Operations towards a flawless service delivery.

Alcatel Lucent is our partner for Managed Services of Wire-line Access Network through a JV Company. They are also responsible for deployment of Fibre/Copper and provisioning. However we are free to choose the Electronic Equipment, Switches and Routers from any of the other competent suppliers and we do purchase equipment from world leaders like Cisco, Juniper, ECI, Tellabs and others in addition to the strategic partners mentioned above.

IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis and HTMT are associated with us as call centre partners to provide excellent customer experience through dedicated contact center operations. 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 VAS like 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 fourth quarter and full year ended March 31, 2009, and (2) audited financial results for the fourth quarter and full year ended March 31, 2010 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			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Total revenues	**100,557**	**98,245**	**2%**	**396,150**	**369,615**	**7%**
EBITDA before Acquisition Related Cost	**39,198**	**40,014**	**-2%**	**161,244**	**151,678**	**6%**
Acquisition Related Cost	976	-		976	-	
EBITDA after Acquisition Related Cost	38,222	40,014	-4%	160,268	151,678	6%
Cash profit from operations before Derivative and Exchange Fluctuation	38,488	40,118	-4%	161,172	151,990	6%
Cash profit from operations after Derivative and Exchange Fluctuation	40,058	37,878	6%	166,050	140,065	19%
Income before Income taxes	24,586	24,906	-1%	106,978	93,073	15%
Current tax expense	4,870	2,778	75%	22,145	10,400	113%
Income after current tax expense	19,716	22,128	-11%	84,833	82,673	3%
Deferred tax expense / (income)	(1,418)	(756)		(8,186)	(3,785)	
Net income	20,551	22,393	-8%	91,026	84,699	7%
EBITDA / Total revenues (before Acquisition Related Cost)	39.0%	40.7%	-4%	40.7%	41.0%	-1%
EBITDA / Total revenues (after Acquisition Related Cost)	38.0%	40.7%	-7%	40.5%	41.0%	-1%

3.1.2 Consolidated Summarized Balance Sheet

Amount in Rs. Million

Particulars	**As at March 31, 2010**
ASSETS	
Total current assets	139,347
Total non current assets	507,061
Total assets	**646,408**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Total current liabilities	148,111
Total non current liabilities	56,109
Total liabilities	**204,220**
Non Controlling Interest	**28,489**
Total stockholders' equity	**413,699**
Total liabilities and stockholders' equity	**646,408**

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			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Total revenues	81,975	82,216	0%	324,872	303,601	7%
EBITDA	23,969	25,860	-7%	101,190	94,050	8%
EBIT	15,691	18,694	-16%	69,410	68,550	1%
EBITDA / Total revenues	29.2%	31.5%		31.1%	31.0%	

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

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Total revenues	8,510	8,585	-1%	34,154	33,517	2%
EBITDA	3,702	3,614	2%	14,776	14,208	4%
EBIT	1,817	1,969	-8%	7,567	8,189	-8%
EBITDA / Total revenues	43.5%	42.1%		43.3%	42.4%	

3.2.3 Enterprise Services – comprises of consolidated statement of operations of Enterprise Services[5].

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Total revenues	20,738	21,628	-4%	83,597	84,882	-2%
EBITDA	9,846	9,920	-1%	41,150	37,743	9%
EBIT	8,188	8,414	-3%	34,501	32,028	8%
EBITDA / Total revenues	47.5%	45.9%		49.2%	44.5%	

Note 5: Financials for the quarter and full year ended March 31, 2009 are gross of eliminations and financials for the quarter and full year ended March 31, 2010 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			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Total revenues	2,094	945	122%	5,825	3,611	61%
EBITDA before Acquisition Related Cost	(1,944)	(1,378)	-41%	(8,889)	(6,169)	-44%
Acquisition Related Cost	976	-		976	-	
EBITDA after Acquisition Related Cost	(2,920)	(1,378)	-112%	(9,865)	(6,169)	-60%
Depreciation and Others	1,050	325	223%	3,262	461	607%
EBIT	(3,968)	(1,701)	-133%	(13,126)	(6,642)	-98%

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			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Total revenues	9,552	7,241	32%	35,425	42,489	-17%
EBITDA	4,507	2,903	55%	16,353	15,022	9%
EBIT	1,014	(187)	642%	2,679	3,667	-27%
Share of profits/(loss) in associates/ joint ventures	34	(54)	163%	338	(713)	147%
EBITDA / Total revenues	47.2%	40.1%		46.2%	35.4%	

3.3 Segment-wise Investments and Contribution

3.3.1 Investments in projects

Amount in Rs. Million, except ratios

Segment	As at March 31, 2010	
	Rs. Million	% of Total
Mobile Services	361,337	51%
Telemedia Services	78,521	11%
Enterprise Services	96,710	14%
Passive Infrastructure Services	154,028	22%
Others	23,249	3%
Total	**713,845**	**100%**
Less:- Accumulated Depreciation and Amortization	217,190	
Net Fixed Assets and Other Project Investment	**496,655**	

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

Segment	Quarter Ended March 2010					
	Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobile Services	81,975	82%	23,969	63%	5,794	38%
Telemedia Services	8,510	8%	3,702	10%	1,985	13%
Enterprise Services	20,738	21%	9,846	26%	1,944	13%
Passive Infrastructure Services	9,552	9%	4,507	12%	2,771	18%
Others	2,094	2%	(2,920) [7]	-8%	2,567	17%
Sub Total	**122,869**	**122%**	**39,104**	**102%**	**15,061**	**100%**
Eliminations	(22,312)	-22%	(882)	-2%		
Total	**100,557**	**100%**	**38,222**	**100%**	**15,061**	**100%**

Segment	Year Ended March 2010					
	Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobile Services	324,872	82%	101,190	63%	34,258	42%
Telemedia Services	34,154	9%	14,776	9%	9,631	12%
Enterprise Services	83,597	21%	41,150	26%	10,097	12%
Passive Infrastructure Services	35,425	9%	16,353	10%	12,041	15%
Others	5,825	1%	(9,865) [7]	-6%	15,804	19%
Sub Total	**483,873**	**122%**	**163,604**	**102%**	**81,831**	**100%**
Eliminations	(87,724)	-22%	(3,336)	-2%		
Total	**396,149**	**100%**	**160,268**	**100%**	**81,831**	**100%**

Note 6: Revenue and EBITDA eliminations are on account of inter-segment transactions. Capex is net of eliminations.
Note 7: After acquisition related cost of Rs 976 million.

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	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Customers on our Network						
Mobile Services	000's.	127,619	118,864	7%	93,923	36%
Telemedia Services	000's.	3,067	2,989	3%	2,726	12%
Total	**000's.**	**130,686**	**121,853**	**7%**	**96,649**	**35%**
Non Voice Revenue as a % of Total Revenues	%	17.0%	16.4%		14.1%	
Total Employees	No.	18,354	18,201	1%	24,538	-25%

4.2 Mobile Services

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Subscriber Base[8]						
All India Mobile Subscribers	000's.	584,323	525,148	11%	391,761	49%
Mobile Customers on Bharti's Network	000's.	127,619	118,864	7%	93,923	36%
Net Additions						
All India Mobile Subscribers	000's.	59,175	53,422	11%	44,867	32%
Mobile Customers on Bharti's Network	000's.	8,755	8,353	5%	8,273	6%
Market Share						
Bharti's Mobile Market Share	%	21.8%	22.6%		24.0%	
Bharti's Market Share of Net Additions	%	14.8%	15.6%		18.4%	
Pre-Paid Subscribers						
Total Customer Base	%	95.8%	95.3%		94.2%	
Total Net Additions	%	101.7%	97.5%		100.8%	
Other Operating Information						
Average Revenue Per User (ARPU)	Rs.	220	230	-5%	305	-28%
Average Revenue Per User (ARPU)	US$	4.9	5.1	-5%	6.8	-28%
Average Rate Per Minute (ARPM)	Rs	0.47	0.52	-9%	0.63	-25%
Average Minutes of Use Per User	Minutes	468	446	5%	485	-4%
Monthly Churn						
Post-paid Voluntary Churn	%	1.0%	1.0%		1.2%	
Post-paid Company Initiated Churn	%	0.5%	0.9%		1.4%	
Pre-paid	%	5.9%	6.5%		3.2%	
Non Voice Revenue						
SMS Revenue as a % of Mobile Revenues	%	5.7%	6.0%		3.7%	
Non Voice Revenue as a % of Mobile Revenues	%	11.8%	11.0%		9.3%	

Note 8: All India mobile subscribers based on report published by TRAI.

4.3 Telemedia Services

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Telemedia Customers	000's.	3,067	2,989	3%	2,726	12%
Net additions	000's.	78	60	30%	107	-27%
Average Revenue Per User (ARPU)	Rs	937	964	-3%	1,071	-13%
Average Revenue Per User (ARPU)	US$	20.8	21.3	-3%	23.7	-13%

4.4 Traffic Details

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Mobile Services	Mn Min	172,797	153,241	13%	130,669	32%
Telemedia Services	Mn Min	4,515	4,576	-1%	4,737	-5%
National Long Distance Services	Mn Min	15,875	13,944	14%	11,690	36%
International Long Distance Services	Mn Min	3,173	3,100	2%	2,772	14%
Total Minutes on Network [9]	**Mn Min**	**196,360**	**174,861**	**12%**	**149,868**	**31%**

Note 9: The minutes are gross of Inter-segment Eliminations

4.5 Network and Coverage

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Mobile Services						
Census Towns	No.	5,091	5,078	13	5,060	31
Non-Census Towns and Villages	No.	438,933	433,851	5,082	414,906	24,027
Population Coverage	%	84%	84%		81%	
Network Sites	No.	104,826	102,190	2,636	93,368	11,458
Telemedia Services						
Cities covered	No.	89	95	(6)	95	(6)
Enterprise Services (National Long Distance)						
Optic Fibre Network	Rkms	126,357	118,337	8,020	101,337	25,020

4.6 Passive Infrastructure Services

4.6.1 Bharti Infratel

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Total Towers [10]	No.	30,568	29,806	3%	27,548	11%
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs.	36,878	38,107	-3%	33,586	10%
Sharing Factor	Times	1.62	1.57	-	1.34	-

Note 10: Total towers 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	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Total Towers [11]	No.	102,938	102,696	0%	95,154	8%
Key Indicators						
Sharing Factor	Times	1.71	1.66	-	1.48	-

Note 11: Bharti Infratel holds 42% in Indus towers

4.7 Human Resource Analysis

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Q-on-Q Growth	March 31, 2009	Y-on-Y Growth
Consolidated						
Total Employees	No.	18,354	18,201	1%	24,538	-25%
Number of Customers per employee	No.	7,120	6,695	6%	3,939	81%
Mobile Services						
Number of Customers per employee	No.	16,014	16,543	-3%	11,992	34%
Gross Revenue per employee per month	Rs.	3,428,912	3,693,714	-7%	3,495,127	-2%
Telemedia Services						
Number of Customers per employee	No.	782	668	17%	272	188%
Gross Revenue per employee per month	Rs.	723,455	637,156	14%	285,538	153%
Enterprise Services						
Gross Revenue per employee per month	Rs	2,234,217	2,248,413	-1%	1,977,327	13%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Key Industry Developments

5.1.1 Department of Telecommunications (DoT)

1. Auction of 3G and BWA Auction:

On Feb 25, 2010, DoT issued a Notice Inviting Application (NIA) for 3G Auction. This notice is floated to invite potential bidders to apply for 3G (2.1 GHz) and BWA (2.3 GHz) spectrum auction. Key features of NIA are as follows:

- The willing applicants have the deadline of Mar 19, 2010 to apply and ownership details of applicants will be published on Mar 23, 2010. The e-auction of spectrum will take place on Apr 09, 2010.
- BWA auction for 2 slots of 20 MHz each will start two days after 3G auction.
- The circles like Punjab, West Bengal, Himachal Pradesh, Bihar and Jammu & Kashmir have 4 slots of 5 MHz each for auction while remaining 17 circles get 3 slots of 5MHz each for auction.
- The number of slots up for auction excludes those allotted to BSNL & MTNL which were allotted licences last year and have since started offering 3G services in their operating circles.
- The government has set Rs. 3,500 crore as the base price for one 3G slot and Rs. 1,750 crore for a BWA slot.
- Auctions will be a simultaneous ascending e-auction, run over the Internet. Bidders will be able to access the Electronic Auction System ("EAS") to be used for participation in the Auctions using standard web browsing software.
- Each of the Auctions will involve the following two-stage process:
  a. First stage, a Clock Stage, which will allocate spectrum blocks available simultaneously for all service areas.
  b. Second stage, an Assignment Stage, will allocate specific frequencies within each service area.
- Successful bidders will be issued Letter of intent and they will be able to roll out services only from September, 2010.

2. Revised Spectrum Charges

On Feb 25, 2010 DoT announced the revised 2G spectrum charges for both the GSM and CDMA operators. The revised slabs are applicable w.e.f Apr 1, 2010 as below:

Spectrum in MHz in 2G	Revised charges as % of AGR
Upto 4.4/5*	3
Upto 6.2/6.25*	4
Upto 8.2/7.5*	5
Upto 10.2 /10*	6
Upto 12.2/12.5*	7
Upto 15.2/15*	8

* CDMA Services

3. Security Clearance before placement of PO for procuring Telecom equipments / software.

On Feb 25, 2010, DoT issued the revised format for procurement of telecom equipment. Further, DoT vide its letter dated Mar 18, 2010 directed all Access/ILD/NLD/ISP/PMRTS/VSAT and MNP licenses to follow the guidelines with immediate effect:

- Passive equipments and equipments/software developed in India by Indian manufacture would be exempted from security clearance.
- Security clearance would be required for core equipment and not for components.
- DoT shall grant security clearance with in 30 days and the same would be valid for two years.
- Operation/maintenance of telecom network should be done by Indian engineers and dependence of foreign engineers should be nominal and nil within 2 years of procurement of the equipment.
- Hardware/Software urgently required for equipments maintenance will not require security clearance.
- Transfer of technology with in three years from the date of purchase to Indian manufacture is mandatory.

4. Mobile Number Portability

On Mar 30, 2010, DoT intimated that it will decide the date of launch of MNP services which is expected by Jun 30, 2010. DoT also directed that comprehensive call flow for Voice, SMS and MMS among all operators in same/ different LSA should be started immediately and the IOT and IVT testing should be completed by May 15, 2010. Acceptance testing will start after completion of IOT testing.

5.1.2 Telecom Regulatory Authority of India (TRAI)

1. On Jan 20, 2010, TRAI issued a Consultation Paper on efficient utilization of numbering resources and has sought the view of the stakeholders on the following:-

   - Whether the 10 digit numbering scheme should continue and what methods needs to be taken which ensures the availability of adequate number for next 5 years and beyond?

- Whether there is a case to migrate to 11 digit numbering scheme for mobile and retaining 10 digit numbering scheme for fixed line, including advantages and disadvantages of migration to 11 digit numbering scheme.
- Comments on existing methodology for allocation of new numbering series & pricing of numbering resources?

2. On Feb 10, 2010, TRAI issued a direction regarding Unique Porting Code (UPC) for MNP and mandates as follows:

   - UPC consisting of 8 characters of which the first two shall be alphabets that denote the service provider code and service area code which have been specified by the Authority.
   - Validity of UPC would be 15 days except in J&K, Assam and NE.
   - SMS text for requesting Unique Porting Code by a subscriber shall be the word 'PORT' followed by a space followed by the ten digit mobile number which is to be ported which shall be case insensitive.

3. On Mar 17, 2010, TRAI issued Consultation Paper on Co-location Charges. Co-location here refers to the installation of interconnection equipment (i.e., switches, racks, cages, cross-connects and other cabling equipment) by a service provider within a facility owned and operated by another operator.

   The consultation paper takes up the following important issues for deliberations:

   - Terms and conditions for co-location.
   - Measures to ensure transparent and non-discriminatory treatment in pricing and provisioning of co-location facilities.
   - Sharing of cost of co-location by the seeker and provider.

5.2 Key Company Developments

- The Board of Directors have recommended a **dividend** of Rs. 1 per equity share of Rs. 5 each (20 % of face value) for financial year 2009-2010. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the company.

- Bharti Airtel announced **strategic organizational changes** to enhance its focus on expanding operations to international markets beyond India and South Asia and further consolidate leadership position in India. Manoj Kohli now heads the International Business Group leading Airtel's global foray as CEO (International) & Joint MD. Sanjay Kapoor has been promoted to CEO, Bharti Airtel (India and South Asia).

- On March 30, 2010, the Company entered into definitive agreements with the **Zain Group** to acquire **Zain Africa B.V**, for an enterprise value of US$ 10.7 billion. The Company, through its overseas wholly owned subsidiary companies, will acquire Zain Africa's mobile operations in 15 countries with a total subscriber base of over 42million, resulting in a footprint covering 1.8 billion people across Asia and Africa. The parties are working towards completion of the transaction in the coming weeks.

- Airtel has started telecom operations in Bangladesh with the acquisition of a 70% stake in Warid Telecom, Bangladesh. It offers mobile services across 64 districts of Bangladesh with a distribution network of 124 distributors and 34,000 retailers across the country, catering to a sizeable customer base. Bangladesh, with a population of over 160 million and teledensity of 32% is a very promising market for telecom services.

- Bharti Airtel launched **Airtel App Central**, India's first operator-driven Mobile Applications store, enabling subscribers to transform a basic phone into a SmartPhone by accessing over 1250 Apps across 25 categories. Airtel Apps Central crossed over **2.5 million downloads** in just 30 days of launch.

- Bharti Airtel awarded USD 700 million network expansion contract to **Nokia Siemens** to enable Airtel customers to enjoy an enhanced service experience.

- Bharti Airtel extended its partnership with **Ericsson** with a USD 1.3 billion network expansion contract enabling Airtel customers to enjoy enhanced voice quality and faster data access.

- Bharti Airtel partnered with **Dow Jones** to launch The Wall Street Journal India mobile application. The application provides the latest international and Indian financial and business news from The Wall Street Journal and Dow Jones Newswires, exclusively for Airtel customers on the mobile platform.

- Bharti Airtel announced the launch of the much awaited **iPhone 3GS** in India. iPhone 3GS is the fastest iPhone model with enhanced features, up to twice as fast as iPhone 3G.

- Bharti Airtel partnered with HTC and Qualcomm in the global launch of **HTC Smart**. Airtel customers will be the first in the world to experience a revolutionary Smartphone that is not only affordable but is also 3G-ready.

- Bharti Airtel announced completion of the **Rural Electrification Corporation Ltd** (REC) project for end to end Network Management services. Under the agreement, Bharti Airtel will manage REC's complete ERP backbone including the Data Centre and the entire network connecting 19 offices of REC across the country.

- Bharti Airtel announced a strategic partnership with Limelight Networks® for **Content Delivery Network (CDN)** services. The partnership gives Bharti Airtel access to Limelight Networks 25 Delivery Centres and 900 last mile networks across the globe, enhancing Internet user experience in the Indian marketplace.

- Bharti Airtel completed deployment of the **Bangalore Traffic Police Enforcement Automation** by providing BlackBerry® smartphones to all the officers of the Bangalore Traffic Police, allowing them access to the large central database of vehicles, drivers and offenders.

- Bharti Airtel announced its Media & Entertainment debut by launching **Digital Media Business**. With this, Bharti Airtel offers a secure digital distribution of content across multiple media platforms for media and entertainment sector.

- Bharti Airtel and global telcos have announced launch of the **Unity cable system** to boost Trans-Pacific connectivity.

The 9,620km submarine cable system links Japan and the West Coast of the US.

- Bharti Airtel launched the **Airtel Digital TV Recorder**, an enhanced Set Top Box (STB) with capability to record live television, anytime, anywhere. A first of its kind example of convergence between the mobile and TV screen, Airtel offers customers the convenience to record their favourite shows using their mobile phones from anywhere in the world.

- Bharti Airtel launched **Impatience Plans** – an industry first offering 4 mbps broadband speed starting at a path-breaking Rs.899/-. Airtel would also be upgrading all its customers to a minimum speed of 512 kbps and doubling the speeds thereafter up–till 2 mbps for all existing customers.

- Bharti Airtel pioneered **50 mbps broadband - the fastest wireline broadband** on VDSL2 in the country. The service, powered by Airtel's Carrier Ethernet Network, would be initially available in Delhi and Gurgaon with phased roll-out to Mumbai, Chennai and Bangalore.

- Bharti Airtel introduced India's first ever **Family Tunes** – a call management service offering a pre-recorded Welcome Message customized to the subscriber's individual Family Name to greet callers instead of the conventional tone. Airtel offers a library of more than 1000 Indian family names for customers to choose from.

- Bharti Airtel launched a network of **Wi-Fi Hotspots** in select corporate, community and social hubs to offer out-of-home internet access to Airtel Broadband customers. The service is initially available in Delhi and Gurgaon.

- Bharti Airtel won tele.net **Telecom Operator awards** in 6 out of total 14 categories including Most Admired Company, Best National Mobile operator, Best Internet and Broadband operator, Best Operator in Rural Market, Best Enterprise Services and CEO of the Year- Mr. Manoj Kohli.

5.3 Results of Operations

The company has reported its (1) audited financial results for the quarter ended March 31, 2009 and full year ended March 31, 2009; (2) audited financial results for the quarter ended March 31, 2010 and full year ended March 31, 2010. The financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP).

Key Highlights - *For the full year ended March 31, 2010*

- **Overall Customer base at 130.7 million.**
- **Highest ever-net addition of 34.0 million of total customers in a year.**
- **Market leader with a market share of all India wireless subscribers at 21.8% (24.0% last year)**
- **Total Revenues of Rs. 396.2 billion (up 7% Y-o-Y).**
- **EBITDA before acquisition cost Rs. 161.2 billion (up 6% Y-o-Y).**
- **EBITDA after acquisition cost Rs. 160.3 billion (up 6% Y-o-Y).**
- **Cash profit from operations of Rs. 166.1 billion (up 19% Y-o-Y).**
- **Net Profit of Rs. 91.0 billion (up 7% Y-o-Y).**

Key Highlights - *For the quarter ended March 31, 2010*

- **Net addition of 8.8 million customers.**
- **Total Revenues of Rs. 100.6 billion (up 2% Y-o-Y).**
- **EBITDA before acquisition cost Rs. 39.2 billion (down 2% Y-o-Y).**
- **EBITDA after acquisition cost Rs. 38.2 billion (down 4% Y-o-Y).**
- **Cash profit from operations of Rs. 40.1 billion (up 6% Y-o-Y).**
- **Net Profit of Rs. 20.6 billion (down 8% Y-o-Y).**

Bharti Airtel Consolidated

Full year ended March 31, 2010

The consolidated revenues and EBITDA for the year ended March 31, 2010 was Rs. 396,150 million and Rs.160,268 million respectively. The consolidated revenues and EBITDA grew by 7% and 6% respectively for the year ended March 31, 2010. The EBITDA margin (ratio of EBITDA to revenues) for the year was 40.5%. The underlying EBITDA margin (ratio of EBITDA to revenues) excluding acquisition related costs for the year was 40.7%.

The cash profit from operations for the year ended March 31, 2010 was Rs.166,050 million as compared to Rs. 140,065 million for the year ended March 31, 2009, a growth of 19% year on year. The net finance income for the year was Rs. 5,784 million.

The earning before tax for the year ended on March 31, 2010 was Rs. 106,978 million and the net profit was at Rs. 91,026 million leading to an earnings per share of Rs. 24. The current tax expense for the year was Rs 22,145 million and the deferred tax expense/(income) was Rs. (8,186) million.

The capital expenditures for the full year was Rs. 81,831 million (US$ 1,813 Mn).

Quarter ended March 31, 2010

Customer Base
As on March 31, 2010, the company had an aggregate of 130,686,172 customers in India, consisting of 127,619,314 GSM mobile and 3,066,858 Telemedia customers. Its total customer base as on March 31, 2010 increased by 35% compared to the customer base as on March 31, 2009.

Revenues/Turnover
During the quarter ended March 31, 2010, the company crossed revenues of Rs.100,000 million for the first time and recorded revenues of Rs. 100,557 million; a growth of 2% compared to the quarter ended March 31, 2009. Revenues from mobile services represented 82% of the total revenues for the quarter ended March 31, 2010. Non-voice revenue contributed to approximately 17.0% of the total revenues for the quarter.

Operating Expenses (ex-revenue share license and spectrum fee) During the quarter ended March 31, 2010; the company incurred an operating expenditure of Rs. 40,172 million representing 40% of the total revenues. The operating expense comprises:

- Rs.19,780 million towards network operations costs (19.7% of turnover)
- Rs. 4,024 million towards employee costs, (4.0% of turnover)
- Rs. 342 million towards equipments costs, and
- Rs. 16,026 million towards selling general and administrative costs (15.9% of turnover, including Rs. 976 million of acquisition related costs)

The operating expenses grew by 20% compared to the quarter ended March 31, 2009. 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 March 31, 2010, the company had an EBITDA of Rs. 38,222 million; decline of 4% compared to the quarter ended March 31, 2009. The EBITDA margin for the quarter was 38.0%. The underlying EBITDA margin excluding acquisition related costs for the quarter was 39.0%.

The net finance income for the quarter ended March 31, 2010 was Rs.1,837 million. The interest on borrowings during the quarter was Rs. 430 million and the finance income (primarily related to income on marketable securities) was Rs. 939 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. 40,058 million, an increase of 6%, as compared to the quarter ended March 31, 2009. During the quarter ended March 31, 2010, the company had depreciation and amortization expenses of Rs. 15,928 million.

Income Before Income Taxes (PBT)
The income before income tax for the quarter was Rs. 24,586 million, a decrease of 1%, as compared to the quarter ended

March 31, 2009. The current tax for the quarter ended March 31, 2010 was Rs. 4,870 million and deferred tax expense / (income) was Rs. (1,418) million.

Net income
The net income for the quarter ended March 31, 2010 was Rs. 20,551 million with YoY decline of 8%.

Balance Sheet
As on March 31, 2010, the company had total assets of Rs. 646,408 million, and total liabilities of Rs. 204,220 million respectively. The difference of Rs. 442,188 million was on account of stockholder's equity and non-controlling interest.

The company had a net debt of Rs. (12,807) million (US$ 284 million) as on March 31, 2010, resulting in a Net Debt to EBITDA (LTM) of (0.08).

Capital Expenditure
During the quarter ended March 31, 2010, the company incurred capital expenditure of Rs. 15,061 million (US$ 334 million).

Human Resources
As on March 31, 2010, the company had a total of 18,354 employees consisting of 7,969 in Mobile Services, 3921 in Telemedia Services, 3094 in Enterprise Services, 2,499 in Others and 871 in Passive Infrastructure Services.

<u>Mobile Services</u>

Customer Base, Churn, ARPU and MoU
As at the end of the quarter the company had 127,619,314 GSM mobile customers on its network, which accounted for a market share of 21.8% of the all India mobile market.

Of its 127,619,314 GSM mobile customers as of March 31, 2010, post-paid customers contributed 4.2% to the overall customer base while pre-paid customers contributed the balance 95.8%. During the quarter, Bharti's share of 8,755,283 net additions was 14.8% of all India wireless subscriber net additions.
The average monthly churn for the quarter ended March 31, 2010 was 1.5% (1.0% voluntary churn and 0.5% company initiated churn) for its post-paid segment, and 5.9% for the pre-paid segment.

During the quarter blended ARPU was Rs. 220 (US$ 4.9) per month as compared to Rs. 230 (US$ 5.1) per month in the quarter ended December 31, 2009. The blended monthly usage per customer, during the quarter was at 468 minutes. The Average rate per minute during the quarter was Rs.0.47 . Non voice revenue, which includes Voice Mail Service, Call Management, Airtel Talkies and other value added services like Hello Tunes, Music on Demand and Airtel Live contributed to approximately 11.8% of the total revenues of the segment. The Short Messaging Services (SMS) revenue, which is primarily text messaging, accounted for 5.7% of the total revenue of the segment, for the quarter ended March 31, 2010.

Revenues, EBITDA and EBIT
The revenues for the quarter ended March 31, 2010 for mobile services stood at Rs. 81,975 million, a decline of 0.3% 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 March 31, 2010 was Rs. 23,969 million representing decline of 7% over the quarter ended March 31, 2009. The EBITDA margin for the quarter ended March 31, 2010 was 29.2%. The EBIT for the quarter ended March 31, 2010 was Rs. 15,691 million as compared to Rs.18,694 million for the quarter ended March 31, 2009, a decline of 16%.

Capital Expenditure
During the quarter ended March 31, 2010, the company incurred a capital expenditure of Rs. 5,794 million (US$ 128 million) on its Mobile Services.

<u>Telemedia Services</u>

Customer Base and ARPU
At the end of the quarter ended March 31, 2010, the company had its Telemedia operations in 89 cities. During the quarter, the company added 78,313 customers on its Telemedia networks with 3,066,858 customers as on March 31, 2010. The company had approximately 1.30 million customers (42.3% of the total customer base) subscribing to broadband (DSL) services.

The ARPU for the quarter was Rs. 937 (US$ 20.8) per month.

Revenues, EBITDA and EBIT
For the quarter ended March 31, 2010, the revenues from Telemedia operations of Rs. 8,510 million, represented a decline of 1% over the corresponding quarter last year. The EBITDA for the quarter was Rs. 3,702 million compared to Rs. 3,614 million in the corresponding prior year quarter, an increase of 2.4%. The EBITDA margin for this segment was 43.5% for the quarter ended March 31, 2010. The EBIT for the quarter ended March 31, 2010 was Rs. 1,817 million.

Capital Expenditure
During the quarter ended March 31, 2010, the company incurred a capital expenditure of Rs. 1,985 million (US$ 44 million) on its Telemedia Services.

<u>Enterprise Services</u>

Revenues, EBITDA and EBIT
The revenues for the quarter ended March 31, 2010 for Enterprise services stood at Rs. 20,738 million, a decline of 4.1% over the corresponding quarter last year. The revenue from this segment contributed to 21% of the total consolidated revenues. The EBITDA during the quarter ended March 31, 2010 was Rs. 9,846 million, a decline of 1% over the corresponding quarter last year. The EBITDA margin for the quarter ended March 31, 2010 was 47.5%. The EBIT for the quarter ended March 31, 2010 was Rs. 8,188 million as compared to Rs. 8,414 million for the quarter ended March 31, 2009, a decline of 2.7%.

Capital Expenditure
During the quarter ended March 31, 2010, the company incurred a capital expenditure of Rs. 1,944 million (US $43 million) on its Enterprise Services.

<u>Passive Infrastructure Services - Infratel</u>

Towers and Sharing Operators
As at the end of the quarter, the company had 30,568 towers. Sharing factor for the quarter ended March 31, 2010 was 1.62 times.

Revenues, EBITDA and EBIT
For the quarter ended March 31, 2010, the revenues from its Passive Infrastructure Services were Rs. 9,552 million. The EBITDA for the quarter ended March 31, 2010 was Rs. 4,507 million. The EBITDA margin for the quarter ended March 31, 2010 was 47.2%. The EBIT for the quarter ended March 31, 2010 was Rs. 1,014 million.

Capital Expenditure
During the quarter ended March 31, 2010, the company incurred a capital expenditure of Rs. 2,771 million (US $61 million) on its Passive Infrastructure Services.

SECTION 6

STOCK MARKET HIGHLIGHTS

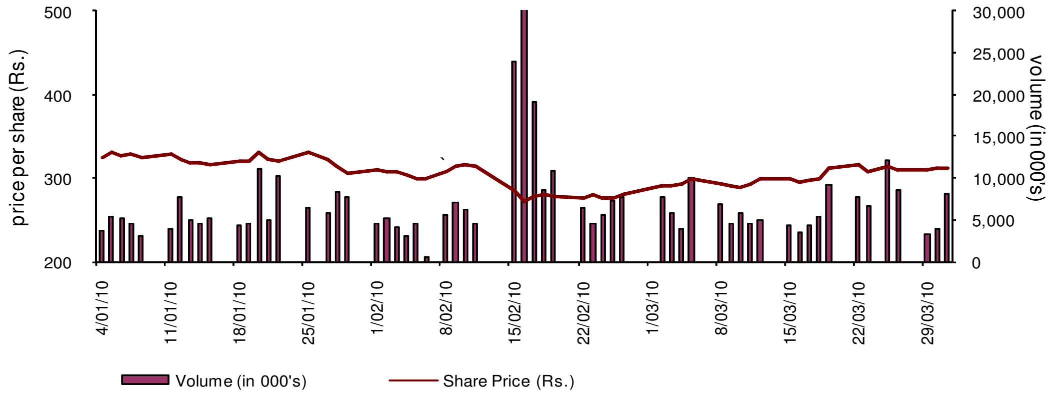
6.1 General Information

Shareholding and Financial Data		
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (31/03/10)	Million Nos.	3,797.53
Closing Market Price - BSE (31/03/10)	Rs./Share	311.90
Combined Volume (NSE & BSE) (01/01/10-31/03/10)	No. in Mn/day	7.25
Combined Value (NSE & BSE) (01/01/10-31/03/10)	Rs. bn./day	2.18
Market Capitalization	Rs. bn	1,184
Market Capitalization	US$ bn	26.24
Book Value Per Equity Share	Rs./share	0.97
Market Price/Book Value	Times	320.06
Net Debt to EBITDA (LTM)	Times	0.28
Enterprise Value	Rs. bn	1,172
Enterprise Value	US$ bn	25.96
Enterprise Value/ Annualised Q4 Revenue	Times	7.66
Enterprise Value/ Annualised Q4 EBITDA	Times	13.14

6.2 Summarized Shareholding pattern as of March 31, 2010

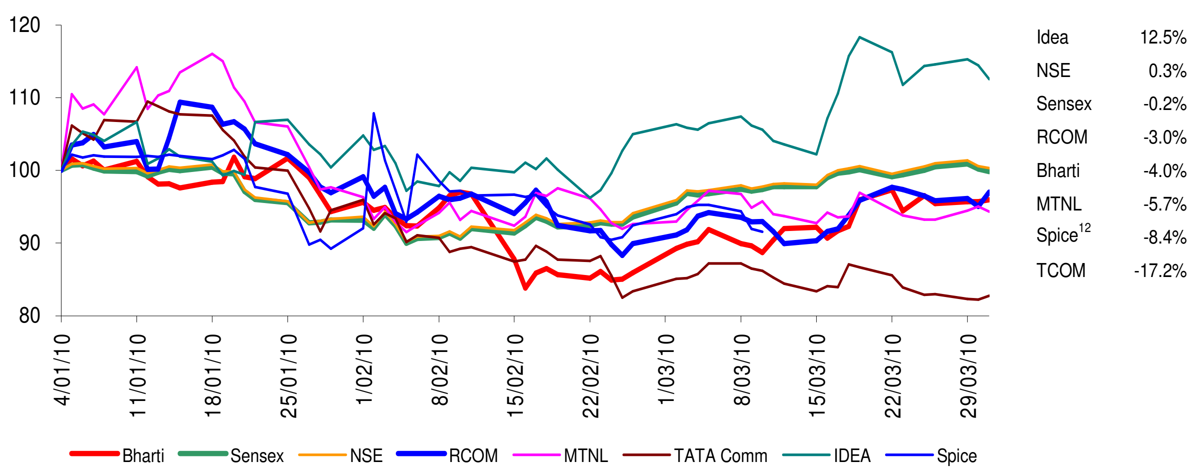
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,725,513,056	45.44%
Foreign	850,280,286	22.39%
Sub total	**2,575,793,342**	**67.83%**
Public Shareholding		
Institutions	985,548,058	25.95%
Non-institutions	236,188,696	6.22%
Sub total	**1,221,736,754**	**32.17%**
Total	**3,797,530,096**	**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



Source: Bloomberg
Note 12: Trading in Spice Communication stopped w.e.f 11th Mar, 2010

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 22
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 March 2010	Year Ended March 2010
Operating Income To EBITDA		
Operating Income	**22,293**	**99,810**
Depreciation and Amortization	15,928	60,457
EBITDA after acquisition cost	**38,222**	**160,268**
Acquisition Cost	976	976
EBITDA before acquisition cost	**39,198**	**161,244**
Operating Income to Cash Profit from Operations		
Operating Income	**22,293**	**99,810**
Depreciation and Amortization	15,928	60,457
Interest income	5,030	18,216
Interest expense	(3,193)	(12,434)
Cash Profit from Operations	**40,058**	**166,050**
Operating Income to EBIT		
Operating Income	**22,293**	**99,810**
Less:		
Non operating expenses	3	181
Add:		
Other income	457	1,275
EBIT	**22,747**	**100,904**
Total Revenue to Net Revenue		
Total Revenue	**100,557**	**396,150**
Less:		
Access charges	11,571	44,807
Net Revenue	**88,986**	**351,343**
Income before Income taxes to Income after current tax expense		
Income before Income taxes	24,586	106,978
Less:		
Current tax expense	4,870	22,145
Income after current tax expense	**19,716**	**84,833**

7.1.1 Consolidated (cont.)

Amount in Rs million

Particulars	As at March 31, 2010	As at March 31, 2010
Total Non Current Assets		
Property and equipment, net	443,808	443,808
Acquired intangible assets, net	15,904	15,904
Goodwill	36,771	36,771
Investment in associates and joint ventures	172	172
Restricted cash, non-current	293	293
Other assets	10,114	10,114
Total Non Current Assets	**507,061**	**507,061**

Particulars	As at March 31, 2010	As at March 31, 2010
Total Non Current Liabilities		
Long-term debt, net of current portion	47,453	47,453
Deferred taxes on income	12	12
Unearned income- Indefeasible right to use sales	3,041	3,041
Other liabilities	5,604	5,604
Total Non Current Liabilities	**56,109**	**56,109**

7.1.2 Mobile Services

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBITDA		
Operating Income	**15,383**	**68,554**
Depreciation and Amortization	8,586	32,636
EBITDA	**23,969**	**101,190**
Operating Income to EBIT		
Operating Income	**15,383**	**68,554**
Add:		
Other income	308	857
EBIT	**15,691**	**69,411**

7.1.3 Telemedia Services

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBITDA		
Operating Income	**1,812**	**7,527**
Depreciation and Amortization	1,890	7,249
EBITDA	**3,702**	**14,776**
Operating Income to EBIT		
Operating Income	**1,812**	**7527**
Add:		
Other income	5	40
EBIT	**1,817**	**7567**

7.1.4 Enterprise Services

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBITDA		
Operating Income	**7,987**	**33,985**
Depreciation and Amortization	1,859	7,165
EBITDA	**9,846**	**41,150**

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income to EBIT		
Operating Income	**7,987**	**33,985**
Add:		
Other income	201	516
EBIT	**8,188**	**34,501**

7.1.5 Others

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBITDA		
Operating Income	**(3,972)**	**(12,980)**
Depreciation and Amortization	1,053	3,116
EBITDA after acquisition cost	**(2,919)**	**(9,864)**
Acquisition Cost	976	976
EBITDA before acquisition cost	**(1,943)**	**(8,888)**

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBIT		
Operating Income	**(3,972)**	**(12,980)**
Less:		
Non operating expenses	2	179
Add:		
Other Income	6	33
EBIT	**(3,968)**	**(13,126)**

7.1.6 Passive Infrastructure Services

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBITDA		
Operating Income	**1,005**	**2,640**
Depreciation and Amortization	3,502	13,713
EBITDA	**4,507**	**16,353**

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Operating Income To EBIT		
Operating Income	**1,005**	**2,640**
Less:		
Non operating expenses	-	1
Add:		
Other Income	9	40
EBIT	**1,014**	**2,679**

7.2 Schedules to Financial Statements

7.2.1 Schedule of Cost of services

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Access charges	11,571	44,807
Licence fees, revenue share and spectrum charges	10,593	40,876
Network operations costs[13]	19,780	75,962
Employee costs	4,024	16,925
Depreciation and Amortization (excluding intangibles)	15,458	58,588
Cost of Services	**61,426**	**237,157**

7.2.2 Schedule of Operating expenses

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Network operations costs[13]	19,780	75,962
Equipment costs	342	715
Employee costs	4,024	16,925
Selling, general and administrative costs[13 & 14]	16,026	56,598
Operating Expenses	**40,172**	**150,200**

7.2.3 Schedule of Depreciation and Amortization

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Fixed Assets	15,218	57,621
Licence Fees	165	682
ESOP	331	1,392
Intangibles	214	762
Depreciation and Amortization	**15,928**	**60,457**

7.2.4 Schedule of Net debt

Amount in Rs million

Particulars	As at March 31, 2010	As at March 31, 2010
Long term debt, net of current portion	47,453	47,453
Short-term borrowings and current portion of long-term debt	17,166	17,166
Less:		
Cash and cash equivalents	13,903	13,903
Restricted cash	99	99
Restricted cash, non-current	293	293
Short term investments	63,131	63,131
Net Debt	**(12,807)**	**(12,807)**

Note 13: Network operations costs and Selling, general and administrative costs have been regrouped in the previous quarters so as to make them comparable, based on the current accounting treatment for these costs.
Note 14: Includes acquisition related costs of Rs. 976 Million.

7.2.5 Schedule of Finance cost (net)

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Interest on borrowings	430	2,585
Finance charges	242	1,094
Finance income	(939)	(4,585)
Derivatives and exchange fluctuation	(1,570)	(4,878)
Finance cost (net)	**(1,837)**	**(5,784)**

7.2.6 Schedule of Income tax

Amount in Rs million

Particulars	Quarter Ended March 31, 2010	Year Ended March 31, 2010
Current tax expense	4,870	22,145
Deferred tax expense / (income)	(1,418)	(8,186)
Income tax expense	**3,451**	**13,958**

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			Year Ended		
	March 2010	March 2009	Y-on-Y Growth	March 2010	March 2009	Y-on-Y Growth
Revenues						
Services	98,859	96,745	2%	390,033	366,249	6%
Indefeasible right to use sales	1,303	1,271		5,214	1,598	
Equipment Sales	395	229	72%	903	1,768	-49%
Total Revenues	**100,557**	**98,245**	**2%**	**396,150**	**369,615**	**7%**
Operating Expenses						
Cost of Services[15]	(61,426)	(58,635)	5%	(237,157)	(213,286)	11%
(Inclusive of depreciation and amortization)						
Costs of Equipment sales	(342)	(174)	97%	(715)	(1,448)	-51%
Selling, general & administrative expenses [15]	(16,497)	(12,707)	30%	(58,467)	(50,784)	15%
(Inclusive of amortization of intangibles)						
Total Operating Expense	**(78,265)**	**(71,516)**	**9%**	**(296,340)**	**(265,518)**	**12%**
Operating Income	**22,293**	**26,729**	**-17%**	**99,810**	**104,097**	**-4%**
Interest expense	(3,193)	(3,210)		(12,433)	(27,618)	
Interest income	5,030	1,074		18,216	16,005	
Share of (loss)/profits in associates / joint ventures	2	(56)		292	(713)	
Other income	457	425	8%	1,275	1,522	-16%
Non operating expenses	(3)	(56)		(181)	(220)	
Income before Income Taxes	**24,586**	**24,906**	**-1%**	**106,978**	**93,073**	**15%**
Income tax expense	(3,451)	(2,022)		(13,958)	(6,615)	
Net income	**21,134**	**22,884**	**-8%**	**93,020**	**86,458**	**8%**
Net income attributable to non controlling interest	583	491		1,994	1,759	
Net income attributable to Bharti	20,551	22,393	-8%	91,026	84,699	7%
Net Income	**21,134**	**22,884**	**-8%**	**93,020**	**86,458**	**8%**
Earnings per share for profit attributable to common shareholders						
Basic[16]	5.42	5.90		24.00	22.34	
Diluted[16]	5.42	5.90		23.99	22.32	
Weighted average number of shares used in computing earnings per share						
Weighted average number of common shares (in millions)[16]	3,794	3,792		3,793	3,792	
Weighted average number of diluted shares (in millions)[16]	3,794	3,793		3,794	3,794	

Note 15: Network operations costs and Selling, general and administrative costs have been regrouped in the previous quarters so as to make them comparable, based on the current accounting treatment for these costs.
Note 16: 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 March 31, 2010
ASSETS	
Cash and cash equivalents	13,903
Accounts receivable, net of allowances for doubtful debts	13,757
Unbilled receivables	10,578
Inventories	484
Short term investments	63,131
Deferred taxes on income	10,121
Derivative financial instruments	3,478
Restricted cash	99
Pre-paid expenses and other current assets	21,329
Due from related parties	2,467
Total Current Assets	**139,347**
Property and equipment, net	443,808
Acquired intangible assets, net	15,904
Goodwill	36,771
Investment in associates and joint ventures	172
Restricted cash, non-current	293
Other assets	10,114
Total Assets	**646,408**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Short-term borrowings and current portion of long-term debt	17,166
Trade payables	21,372
Equipment supply payables	41,737
Accrued expenses	29,929
Unearned income	27,120
Unearned income- Indefeasible right to use sales	292
Derivative financial instruments	662
Due to related parties	37
Other current liabilites	9,131
Deferred taxes on income	667
Total current liabilities	**148,111**
Long-term debt, net of current portion	47,453
Deferred taxes on income	12
Unearned income- Indefeasible right to use sales	3,041
Other liabilities	5,604
Total liabilities	**204,220**
Stockholders' equity	
Common stock	18,988
Additional paid in capital	97,741
Treasury stock	(80)
Retained earnings	297,248
Accumulated other comprehensive income (loss)	(197)
Total stockholders' equity	**413,699**
Non Controlling Interest	28,489
Total Equity	**442,188**
Total liabilities and stockholders' equity	**646,408**

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

Amount in Rs. Million

Particulars		Quarter ended March 31, 2010	Year ended March 31, 2010
<u>Cash flows from operating activities</u>			
Net income	**a**	**20,551**	**91,026**
Add: Non Cash items	**b**		
Depreciation and amortization		15,928	60,457
Tax expense / (income)		3,451	13,958
Impact of fair valuation of financial instruments		(1,170)	(5,124)
Cash generated from operations before working capital changes	**c=a+b**	**38,761**	**160,318**
(Increase)/decrease in working capital		(12,909)	(21,635)
(Increase)/decrease in non-current assets		(272)	(33)
Increase/(decrease) in non-current liabilities		(531)	(2,299)
Net cash provided/(used) by/in operating activities	**d**	**(13,712)**	**(23,967)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,061)	(81,831)
(Investment) / sale in associate		32	(44)
Net cash provided/(used) by/in investing activities	**e**	**(15,029)**	**(81,875)**
Cash flows from financing activities			
Increase/(decrease) in borrowings		(39,089)	(53,785)
Increase/(decrease) in Stockholders Equity		29,983	27,568
Net cash provided/(used) by/in financing activities	**f**	**(9,106)**	**(26,217)**
Cash and cash equivalents[17]			
Beginning of the period	**g**	76,511	49,166
End of the period	**h=c+d+e+f+g**	77,425	77,425

Note 17: 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				
	Mar-10	Dec-09	Sep-09	Jun-09	Mar-09
Total Revenues	100,557	97,722	98,455	99,416	98,245
Access and interconnection charges	11,571	11,166	10,699	11,371	14,149
Operating Expenses	40,172	37,509	36,118	36,401	33,474
Licence Fee	10,593	9,935	10,222	10,126	10,608
EBITDA	38,222	39,112	41,416	41,518	40,014
Cash profit from operations after Derivative and Exchange Fluctuations	40,058	40,881	40,988	44,123	37,878
Income before income taxes	24,586	25,716	26,589	30,088	24,906
Net income	20,551	22,098	23,210	25,167	22,393

	Mar-10	Dec-09	Sep-09	Jun-09	Mar-09
As a % of Total Revenues					
Access and interconnection charges	11.5%	11.4%	10.9%	11.4%	14.4%
Operating Expenses	39.9%	38.4%	36.7%	36.6%	34.1%
Licence Fee	10.5%	10.2%	10.4%	10.2%	10.8%
Underlying EBITDA[18]	39.0%	40.0%	42.1%	41.8%	40.7%
Cash profit from operations after Derivative and Exchange Fluctuations	39.8%	41.8%	41.6%	44.4%	38.6%
Income before income taxes	24.4%	26.3%	27.0%	30.3%	25.4%
Net income	20.4%	22.6%	23.6%	25.3%	22.8%

Note18: Before acquisition related costs of Rs 976 million for the Quarter Ended March 31, 2010.

A.2.2 *Based on Balance Sheet*

Amount in Rs. Million

Parameters	As at				
	Mar-10	Dec-09	Sep-09	Jun-09	Mar-09
Stockholder's Equity	413,699	372,179	349,091	329,876	303,945
Net Debt	(12,807)	19,313	42,108	47,790	69,635
Capital Employed = Stockholder's equity + Net Debt	400,892	391,492	391,199	377,666	373,580

Parameters	Mar-10	Dec-09	Sep-09	Jun-09	Mar-09
Return on Stockholder's equity (LTM)	25.8%	28.4%	30.3%	31.8%	32.6%
Return on Capital Employed (LTM)	22.0%	24.1%	26.0%	28.5%	30.8%
Net Debt to EBITDA (LTM)	(0.08)	0.12	0.26	0.30	0.46
Assets Turnover ratio (LTM)	92.7%	97.5%	102.3%	105.5%	106.2%
Interest Coverage ratio (times)	88.89	67.55	56.40	49.34	45.81
Book Value Per Equity Share (in Rs)	108.9	98.0	91.9	86.9	80.1
Net debt to Stockholders' Equity (Times)	(0.03)	0.05	0.12	0.14	0.23
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)[19]	5.42	5.83	6.12	6.64	5.90
Net profit/(loss) per diluted share (in Rs)[19]	5.42	5.83	6.12	6.63	5.90
Market Capitalization (Rs. bn)	1,184	1,248	1,589	1,523	1,188
Enterprise Value (Rs. bn)	1,172	1,268	1,631	1,570	1,253

Note 19: 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:

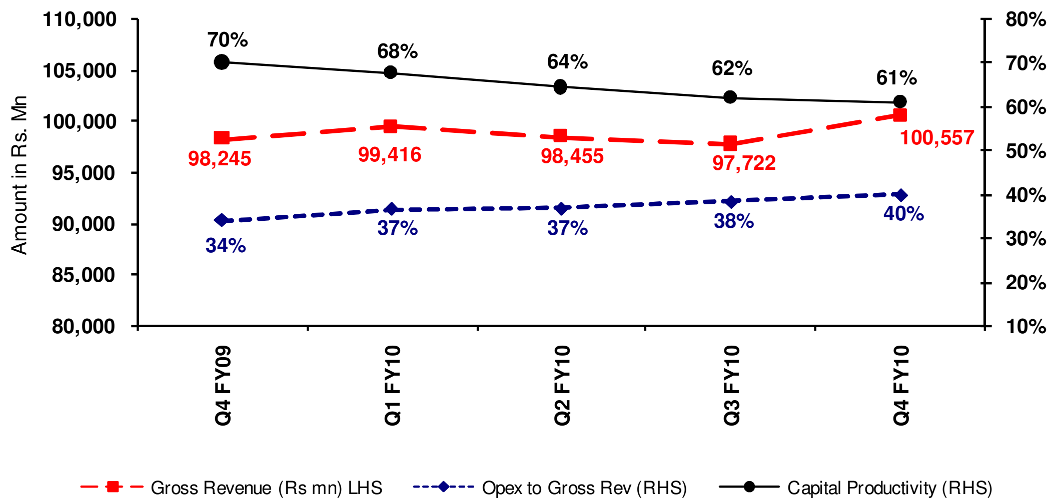
1. Gross Revenues i.e. absolute turnover/sales

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	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	March 31, 2009
Consolidated						
Customers	000's	130,686	121,853	113,440	105,196	96,649
Employees	No.	18,354	18,201	18,598	23,789	24,538
Mobile services						
Customers	000's	127,619	118,864	110,511	102,368	93,923
Pre-paid customers as a % of total customers	%	95.8%	95.3%	95.2%	94.7%	94.2%
Post-paid customers as a % of total customers	%	4.2%	4.7%	4.8%	5.3%	5.8%
Bharti's mobile subscribers market share[20]	%	21.8%	22.6%	23.4%	24.0%	24.0%
Average Revenue Per User (ARPU)	Rs.	220	230	252	278	305
Average Rate Per Minute (ARPM)	Rs	0.47	0.52	0.56	0.58	0.63
Average Minutes of Use Per User	Minutes	468	446	450	478	485
Post-paid Voluntary Churn	%	1.0%	1.0%	0.9%	1.2%	1.2%
Post-paid Company Initiated Churn	%	0.5%	0.9%	1.0%	1.3%	1.4%
Pre-paid Churn	%	5.9%	6.5%	4.6%	3.5%	3.2%
SMS Revenue as a % of Total Mobile Revenues	%	5.7%	6.0%	4.9%	4.3%	3.7%
Employees	No.	7,969	7,185	7,322	7,646	7,832
Telemedia Services						
Customers	000's	3,067	2,989	2,928	2,828	2,726
Average Revenue Per User (ARPU)	Rs.	937	964	989	1,027	1,071
Employees	No.	3,921	4,473	4,705	9,514	10,022
Enterprise Services						
Employees	No.	3,094	3,046	3,191	3,364	3,646
Others						
Employees	No.	2,499	2,655	2,604	2,539	2,418
Passive Infrastructure Services						
Employees	No.	871	842	776	726	620

Note 20: All India mobile subscribers based on report published by TRAI.

A.2.5 Traffic, Coverage and Network Trends

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	March 31, 2009
Mobile Services	Mn Min	172,797	153,241	143,680	140,713	130,669
Telemedia Services	Mn Min	4,515	4,576	4,796	4,746	4,737
National Long Distance Services	Mn Min	15,875	13,944	12,417	11,781	11,690
International Long Distance Services	Mn Min	3,173	3,100	3,181	2,869	2,772
Total Minutes on Network [21]	**Mn Min**	**196,360**	**174,861**	**164,074**	**160,109**	**149,868**

Note 21: The minutes are gross of inter-segment eliminations

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	March 31, 2009
Mobile Services						
Census Towns	No.	5,091	5,078	5,072	5,067	5,060
Non-Census Towns and Villages	No.	438,933	433,851	429,723	423,149	414,906
Population Coverage	%	84%	84%	83%	82%	81%
Network Sites	No.	104,826	102,190	99,501	96,149	93,368
Telemedia Services						
Cities covered	No.	89	95	95	95	95
Enterprise Services (National Long Distance)						
Optic Fibre Network	RKms	126,357	118,337	113,326	104,540	101,337

A.2.6 Passive Infrastructure Services

A.2.6.1 Bharti Infratel

Parameters	Unit	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	March 31, 2009
Total Towers[22]	No.	30,568	29,806	29,112	28,078	27,548
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs.	36,878	38,107	36,696	36,420	33,586
Sharing Factor	Times	1.62	1.57	1.49	1.43	1.34

Note 22: Total towers 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	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	March 31, 2009
Total Towers[23]	No.	102,938	102,696	100,728	97,925	95,154
Key Indicators						
Sharing Factor	Times	1.71	1.66	1.61	1.55	1.48

Note 23: 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 March 31, 2010	Year ended March 31, 2010
	Audited	Audited
Service Revenue	106,923	417,295
Sales of Goods	470	1,000
Total Income	**107,394**	**418,295**
Profit before Finance Expenses /(Income) (Net), Depreciation, Amortization, Pre-operative Expenditure,Charity and Donation, Taxation and Other Income	**40,674**	**168,473**
Finance expenses (net)	(1,747)	(5,030)
Depreciation	16,711	61,994
Amortisation	911	3,550
Share of profits/ (Loss) in associates / joint ventures	(32)	(48)
Other Income	432	1,225
Charity and Donation	3	181
Profit Before tax	**25,195**	**108,954**
Tax Expenses/ (Income)		
-Current Tax	2,732	10,998
-Deferred Tax	1,647	4,342
Profit After Tax	**20,817**	**93,615**
Minority Interest	576	1,984
Profit for the period	**20,241**	**91,631**

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

Amount in Rs million

Particulars	Quarter ended March 31, 2010	Year ended March 31, 2010
Net profit / (loss) as per US GAAP	**20,551**	**91,026**
Add: Differences on account of:		
Being difference in revenue recognition	22	115
Differences in accounting for finance charges	487	3,266
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	156	439
Minority Interest and loss of Joint Venture	(10)	(10)
Less: Differences on account of:		
Amortisation of Goodwill/ Intangibles	246	850
License fee amortisation	147	585
Remeasurement of financial instruments not applicable in IGAAP	(345)	550
Deferred Tax expense	918	1,216
Consolidation of ESOP trust	0	4
Net profit/(loss) as per Indian GAAP	**20,241**	**91,631**

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 Multiprotocol Label Switching and is a technology deployed for speeding up IP network traffic flow. MPLS is called multiprotocol because it works with the Internet Protocol (IP), Asynchronous Transport Mode (ATM), and frame relay network protocols. The technology inherently provides traffic isolation on shared IP networks and hence is the key for providing highly secure VPNs (Virtual Private Networks)
Network Site	Comprises of Base Transceiver 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 , 2009 and 2010. 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, 2009 and 2010, 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.
Underlying EBITDA Margin	It is calculated by dividing EBITDA before acquisition related costs for the relevant period by the Total Revenues 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.
PMRTS	Public Mobile Radio Trunk Service
VSAT	Very Small Aperture Terminals
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.

This page has been left blank intentionally.

Written correspondence to be sent to:

Bharti Airtel Limited
Investor Relations
ir@bharti.in
http://www.airtel.in