Quarterly report on the results for the fourth quarter and full year ended March 31, 2009

Bharti Airtel Limited

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)

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

April 29, 2009

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

Supplemental Disclosures

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

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

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

Convenience translation: - We publish our financial statements in Indian Rupees. All references herein to "Indian Rupees" and "Rs." are to Indian Rupees and all references herein to "US dollars" and "US$" are to United States dollars. All translations from Indian Rupees to United States dollars were made (unless otherwise indicated) using the rate of Rs. 50.95 = US $1.00, being the RBI Reference rate as announced by the Reserve Bank of India on March 31, 2009. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off. Information contained on our websites www.bhartiairtel.in, www.airtel.in, www.airteltelephone.com, www.airtel-broadband.com, www.airtellongdistance.com and www.airtelenterprise.com 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 23.**

Others: - In this report, the terms "we", "us", "our", "Bharti", or "the Company", unless otherwise specified or the context otherwise implies, refer to Bharti Airtel Limited ("Bharti Airtel") and its subsidiaries, Bharti Hexacom Limited ("Bharti Hexacom"), Bharti Airtel Services Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Bharti Airtel (Singapore) Private Ltd, Network i2i Limited, Bharti Airtel Holdings (Singapore) Pte Ltd, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited) and Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel).

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Section 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended March 31,				Quarter Ended			
		2006	2007	2008	2009 [5]	June 30, 2008	Sept. 30, 2008	Dec. 31, 2008	Mar. 31, 2009 [5]
Total Customer Base	**000's.**	**20,926**	**39,013**	**64,268**	**96,649**	**71,777**	**79,989**	**88,270**	**96,649**
Mobile Services	000's.	19,579	37,141	61,985	93,923	69,384	77,479	85,651	93,923
Telemedia Services	000's.	1,347	1,871	2,283	2,726	2,394	2,509	2,619	2,726
Consolidated financials as per US GAAP									
Revenue	INR Mn.	116,215	185,196	270,250	369,615	84,833	90,203	96,334	98,245
EBITDA	INR Mn.	43,374	74,508	113,715	151,678	35,221	36,993	39,450	40,014
Cash profit from operations	INR Mn.	40,862	73,070	111,374	140,065	33,389	31,252	37,546	37,878
Income before income taxes	INR Mn.	25,366	48,860	76,537	93,073	23,814	19,724	24,629	24,906
Net income	INR Mn.	22,567	42,571	67,008	84,699	20,250	20,463	21,593	22,393
Consolidated financials as per US GAAP									
Revenue	US$ Mn.	2,613	4,297	6,753	7,254	1,976	1,942	1,983	1,928
EBITDA	US$ Mn.	975	1,729	2,841	2,977	820	796	812	785
Cash profit from operations	US$ Mn.	919	1,695	2,783	2,749	778	673	773	743
Income before income taxes	US$ Mn.	570	1,134	1,912	1,827	555	425	507	489
Net income	US$ Mn.	507	988	1,674	1,662	472	441	444	440
Key Ratios									
EBITDA Margin	%	37.3%	40.2%	42.1%	41.0%	41.5%	41.0%	41.0%	40.7%
Net Profit Margin	%	19.4%	23.0%	24.8%	22.9%	23.9%	22.7%	22.4%	22.8%
Net Debt to Stockholders Equity [5]	Times	0.45	0.31	0.19	0.23	0.17	0.20	0.23	0.23
Return on Stockholders Equity	%	29.5%	37.4%	38.0%	32.5%	37.9%	35.9%	34.1%	32.6%
Return on Capital employed	%	21.3%	28.2%	31.7%	30.4%	33.8%	33.9%	32.5%	30.8%

1. *Annual financial highlights for the year ended March 31, 2006, 2007, 2008 and 2009 are based on consolidated audited results as per United States Generally Accepted Accounting Principles (US GAAP).*
2. *Financial highlights for the quarter ended June 30,2008, September 30, 2008, December 31, 2008 and March 31, 2009 are audited and are based on the consolidated results as per United States Generally Accepted Accounting Principles (US GAAP).*
3. *Income before income taxes for the full year ended March 31, 2007, March 31, 2008 and March 31, 2009 as well as quarter ended June 30, 2008, September 30, 2008, December 31, 2008 and March 31, 2009 are after fringe benefit tax.*
4. *Exchange rate for Rupee conversion to US$ is (a) Rs. 44.48 for the financial year ended March 31, 2006 (b) Rs. 43.10 for the financial year ended March 31, 2007 (c) Rs. 40.02 for the financial year ended March 31, 2008 (d) Rs. 42.93 for the quarter ended June 30, 2008 (e) Rs 46.45 for the quarter ended September 30, 2008 (f) Rs.48.58 for the quarter ended December 31, 2008, being the noon buying rate as announced by The Federal Reserve Bank of New York at the end of the respective periods, and (g) Rs.50.95 for the quarter ended March 31, 2009, being the RBI Reference rate as announced by The Reserve Bank of India on March 31, 2009.*
5. *Net Debt to Stockholders Equity for the period amounts to 0.12 times exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.*

Section 2

AN OVERVIEW

2.1 Introduction

We are one of Asia's leading providers of telecommunication services with presence in all the 22 licensed jurisdictions (also known as Telecom Circles) in India, and in Srilanka. We served an aggregate of 96,649,487 customers as of March 31, 2009; of whom 93,923,248 subscribe to our GSM services and 2,726,239 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 subscribers as of March 31, 2009. We also offer an integrated suite of telecom solutions to our enterprise customers, in addition to providing long distance connectivity both nationally and internationally. We have recently forayed into media by launching our 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 on 900MHz and 1800MHz bands, and are the largest wireless service provider in the country, based on the number of customers. Our 93,923,248 mobile customers accounted for a customer market share of 24% of wireless market, as on March 31, 2009.

We offer post-paid, pre-paid, roaming and value added services through our extensive sales and distribution channel covering 1,191,323 outlets.

Our network is present in 5,060 census towns and 414,906 non-census towns and villages in India, thus covering approximately 81% of the country's population. Post our launch on January 12, 2009, our services are now fully operational in Sri Lanka. These services have been launched on a state-of-the-art 3.5G network.

Telemedia Services – We provide broadband (DSL) and telephone services (fixed line) in 95 cities with growing focus on new media and entertainment solutions such as DTH and IPTV. We had 2,726,239 customers as on March 31, 2009 of which 39.3% were subscribing to broadband/ internet services. Our product offerings in this segment include supply and installation of fixed-line telephones providing local, national and international long distance voice connectivity and broadband Internet access through DSL.

We also remain strongly committed to our focus on Small and Medium Business enterprises .We provide a range of customised Telecom/ IT solutions and aim to achieve revenue leadership in this rapidly growing segment of the ICT market.

The strategy of our Telemedia business is to focus on cities with high revenue potential, except for DTH which is an all-India offering. Airtel digital TV is available to customers through 31,000 retail points in over 4,000 cities and towns across the country.

Enterprise Services - Enterprise Services provides a broad portfolio of services to large Enterprise and Carrier customers. This division comprises the Carrier and Corporate business units.

Enterprise Services is regarded as the trusted communications partner to India's leading organizations, helping them to meet the challenges of growth.

Carriers – Carrier business unit provides long distance wholesale voice and data services to carrier customers as well as to other business units of Airtel. It also offers virtual calling card services in the overseas markets.

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

The national long distance infrastructure comprises of 101,337 Rkms of optical fibre, over 1,500 MPLS and SDH POPs and over 1,491 POIs with the local exchanges, providing a pan India reach.

The international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system and investment in capacities across a number of diverse submarine cable systems across transatlantic and transpacific routes. In recent past we have announced investments in new cable systems such as Asia America Gateway (AAG), India Middle East and Western Europe (IMEWE), Unity North, EIG (Europe India Gateway) and Eastern Africa Submarine Cable System (EASSy).

Corporates – This business unit delivers end to end telecom solutions to India's large corporates. It serves as the single point of contact for all telecommunication needs for corporate customers in India by providing full suite of communication services across data, voice and managed services.

It specializes in providing customized solutions to address unique requirements of different industry verticals; BFSI, IT, ITeS, Manufacturing and distribution, media, education, telecom, Government and PSUs and retail among others.

Backed by the alliances with leading technology companies worldwide and state of the art infrastructure, it offers complete range of telecom solutions. These solutions enable corporates to network their offices within India and across the globe, provide them infrastructure to run business critical applications and provide them means to connect with their customers, vendors and employees.

These services include; Internet, MPLS -VPN, domestic and international private leased circuits, Satellite services (VSAT), Audio & Video conferencing, Data centre services, Managed network services, corporate value added services, EPBX, Centrex, Contact centre solutions, Toll free services, Mobile enterprise enablement solutions.

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 & Idea Cellular). Indus operates in 16 circles (4 circles common with Infratel, 12 circles on exclusive basis).

Bharti Infratel has 27,548 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 1st Jan 2009. Indus towers has built 14,484 towers during the financial year ended March 09 and has a portfolio of 95,154 towers including the towers under right of use.

2.3 Partners

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

Equipment and Technology Partners - We have established strong alliances with equipment and technology partners who share the same drive for the development of innovative solutions. Ericsson, Nokia Siemens and Huawei are equipment partners supporting our aggressive expansion plans by deploying state of the art technology across our networks. IBM has been working closely with us to transform our IT system, key business processes and establishing an enterprise integration platform. Telephone services and long distance networks equipment partners include Siemens, CISCO, WIPRO, Alcatel Lucent and Tellabs among others. Nortel, IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis and HTMT are associated with us for providing excellent customer experience through dedicated call center operations. We have a strategic partnership with Infosys to provide a suite of products, including devices, application servers and interactive applications to enhance digital lifestyle for our customers. We work with globally renowned organizations such as On Mobile, Comviva, Yahoo, Google and Cellbrum among others to provide each of our customers with a unique experience in the areas of cRBT(caller ring back tone), Music on Demand, Email services and other Airtel Live applications.

Section 3

FINANCIAL HIGHLIGHTS

This section presents the (1) audited financial results for the fourth quarter and full year ended March 31, 2008, and (2) audited financial results for the fourth quarter and full year ended March 31, 2009 as per United States Generally Accepted Accounting Principles (USGAAP).

Detailed financial statements, analysis and other related information is attached to this report as Annexure (page 30). Also, kindly refer to Section 7 (use of Non - GAAP financial information on page 23) and Glossary (page 42) 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 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	98,245	78,191	26%	369,615	270,250	37%
EBITDA	40,014	32,518	23%	151,678	113,715	33%
Cash profit from operations before Derivative and Exchange Fluctuation	40,240	31,625	27%	151,990	110,579	37%
Cash profit from operations after Derivative and Exchange Fluctuation	37,878	30,361	25%	140,065	111,374	26%
Income before Income taxes	24,906	21,132	18%	93,073	76,537	22%
Current tax expense	2,778	2,298	21%	10,400	8,414	24%
Income after current tax expense	22,128	18,834	17%	82,673	68,123	21%
Deferred tax expense / (Income)	(756)	(213)		(3,785)	(36)	
Net income	22,393	18,529	21%	84,699	67,008	26%
EBITDA / Total revenues	40.7%	41.6%		41.0%	42.1%	

3.1.2 Consolidated Summarized Balance Sheet

Amount in Rs. Million

Particulars	**As at March 31, 2009**
ASSETS	
Total current assets	144,079
Total non current assets	459,868
Total assets	**603,947**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Total current liabilities	217,185
Total non current liabilities	72,113
Total liabilities	**289,298**
Minority Interest	**10,704**
Total stockholders' equity	**303,945**
Total liabilities and stockholders' equity	**603,947**

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 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	82,216	64,201	28%	303,601	217,861	39%
EBITDA	25,860	22,779	14%	94,050	85,480	10%
EBIT	18,693	16,934	10%	68,544	59,658	15%
EBITDA / Total revenues	31.5%	35.5%		31.0%	39.2%	

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 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	8,585	7,641	12%	33,517	28,484	18%
EBITDA	3,614	3,344	8%	14,208	11,407	25%
EBIT	1,969	1,910	3%	8,189	6,125	34%
EBITDA / Total revenues	42.1%	43.8%		42.4%	40.0%	

3.2.3 Enterprise Services – comprises of the Enterprise Services – Carriers (Long distance services) and Enterprise Services – Corporates

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Year Ended		
	March 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	21,628	16,340	32%	84,882	56,387	51%
EBITDA	9,920	6,179	61%	37,743	20,433	85%
EBIT	8,414	4,968	69%	32,028	16,635	93%
EBITDA / Total revenues	45.9%	37.8%		44.5%	36.2%	

3.2.3.1 Enterprise Services – Carriers - comprises of the domestic, international long distance operations and landing station (at Chennai).

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Year Ended		
	March 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	17,508	12,566	39%	67,937	43,170	57%
EBITDA	7,889	4,027	96%	30,174	14,310	111%
EBIT	6,794	3,170	114%	26,069	11,502	127%
EBITDA / Total revenues	45.1%	32.0%		44.4%	33.1%	

3.2.3.2 Enterprise Services – Corporates- comprises of end to end telecom solutions being provided to corporates

Amount in Rs. Million, except ratios

Particulars	Quarter Ended			Year Ended		
	March 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	4,120	3,774	9%	16,945	13,217	28%
EBITDA	2,031	2,152	-6%	7,569	6,123	24%
EBIT	1,620	1,798	-10%	5,959	5,133	16%
EBITDA / Total revenues	49.3%	57.0%		44.7%	46.3%	

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 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	945	804	18%	3,611	2,431	49%
EBITDA	(1,378)	(1,142)	-21%	(6,169)	(3,659)	-69%
Depreciation and Others	324	305	6%	467	597	-22%
EBIT	(1,702)	(1,448)	-18%	(6,636)	(4,257)	-56%

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 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Total revenues	7,241	6,023	20%	42,489	6,023	605%
EBITDA	2,903	2,236	30%	15,022	2,236	572%
EBIT	(187)	986	-119%	3,667	986	272%
Share of loss/(profits) in associates/ joint ventures	54	0		713	0	
EBITDA / Total revenues	40.1%	37.1%		35.4%	37.1%	

3.3 Segment-wise Investments and Contribution

3.3.1 Investments in projects

Amount in Rs. Million, except ratios

Segment	As at March 31, 2009	
	Rs. Million	% of Total
Mobile Services	298,571	49%
Telemedia Services	68,867	11%
Enterprise Services - Carriers	78,350	13%
Enterprise Services - Corporates	8,057	1%
Passive Infrastructure Services	141,987	24%
Others	7,389	1%
Total	**603,221**	**100%**
Less:- Accumulated Depreciation and Amortization	153,595	
Net Fixed Assets and Other Project Investment	**449,626**	

3.3.2 Segment-wise contribution to Revenue, EBITDA and Capital expenditure incurred during the period [1]

Segment	Quarter Ended March 2009					
	Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobile Services	82,216	84%	25,860	65%	11,232	39%
Telemedia Services	8,585	9%	3,614	9%	4,614	16%
Enterprise Services - Carriers	17,508	18%	7,889	20%	6,364	22%
Enterprise Services - Corporates	4,120	4%	2,031	5%	444	2%
Passive Infrastructure Services	7,241	7%	2,903	7%	4,807	17%
Others	945	1%	(1,378)	-3%	1,397	5%
Sub Total	**120,615**	**123%**	**40,919**	**102%**	**28,858**	**100%**
Eliminations	(22,370)	-23%	(905)	-2%	-	-
Total	**98,245**	**100%**	**40,014**	**100%**	**28,858**	**100%**

Segment	Year Ended March 2009					
	Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobile Services	303,601	82%	94,050	62%	64,902	46%
Telemedia Services	33,517	9%	14,208	9%	14,071	10%
Enterprise Services - Carriers	67,937	18%	30,174	20%	19,154	14%
Enterprise Services - Corporates	16,945	5%	7,569	5%	1,315	1%
Passive Infrastructure Services	42,489	11%	15,022	10%	35,772	26%
Others	3,611	1%	(6,169)	-4%	4,957	4%
Sub Total	**468,100**	**127%**	**154,854**	**102%**	**140,171**	**100%**
Eliminations	(98,485)	-27%	(3,176)	-2%	-	-
Total	**369,615**	**100%**	**151,678**	**100%**	**140,171**	**100%**

Note1: Revenue and EBITDA eliminations are on account of inter-segment transactions. Capex is net of eliminations

SECTION 4

OPERATING HIGHLIGHTS

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

4.1 Bharti Airtel Consolidated

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Customers on our Network						
Mobile Services	000's.	93,923	85,651	10%	61,985	52%
Telemedia Services	000's.	2,726	2,619	4%	2,283	19%
Total	**000's.**	**96,649**	**88,270**	**9%**	**64,268**	**50%**
Non Voice Revenue as a % of Total Revenues	%	14.1%	14.5%		14.9%	
Total Employees	No.	24,538	25,553	-4%	25,543	-4%

4.2 Mobile Services

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Subscriber Base[2]						
All India Mobile Subscribers	000's.	391,761	346,894	13%	261,079	50%
Mobile Customers on Bharti's Network	000's.	93,923	85,651	10%	61,985	52%
Net Additions						
All India Mobile Subscribers	000's.	44,867	31,582	42%	27,454	63%
Mobile Customers on Bharti's Network	000's.	8,273	8,172	1%	6,822	21%
Market Share						
Bharti's Mobile Market Share	%	24.0%	24.7%		23.7%	
Bharti's Market Share of Net Additions	%	18.4%	25.9%		24.8%	
Pre-Paid Subscribers						
Total Customer Base	%	94.2%	93.5%		91.6%	
Total Net Additions	%	100.8%	99.6%		96.3%	
Other Operating Information						
Average Revenue Per User (ARPU)	Rs.	305	324	-6%	357	-15%
Average Revenue Per User (ARPU)	US$	6.0	6.4	-6%	7.0	-15%
Average Minutes of Use Per User	Minutes	485	505	-4%	507	-4%
Monthly Churn						
Post-paid Voluntary Churn	%	1.2%	1.1%		1.0%	
Post-paid Company Initiated Churn	%	1.4%	1.2%		1.5%	
Pre-paid	%	3.2%	2.9%		4.3%	
Non Voice Revenue						
SMS Revenue as a % of Mobile Revenues	%	3.7%	4.1%		4.4%	
Non Voice Revenue as a % of Mobile Revenues	%	9.3%	9.5%		9.4%	

Note 2: All India mobile subscribers based on report published by TRAI.

4.3 Telemedia Services

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Telemedia Customers	No.	2,726	2,619	4%	2,283	19%
Net additions	No.	107	110	-3%	105	2%
Average Revenue Per User (ARPU)	Rs	1,071	1,098	-2%	1,137	-6%
Average Revenue Per User (ARPU)	US$	21.0	21.6	-2%	22.3	-6%

4.4 Traffic Details

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Mobile Services	Mn Min	130,669	123,626	6%	89,058	47%
Telemedia Services	Mn Min	4,737	4,750	0%	4,736	0%
National Long Distance Services	Mn Min	11,690	11,609	1%	9,398	24%
International Long Distance Services	Mn Min	2,772	2,603	6%	1,850	50%
Total Minutes on Network [3]	**Mn Min**	**149,867**	**142,588**	**5%**	**105,042**	**43%**

Note 3: The minutes are gross of Intersegment Elimination

4.5 Network and Coverage

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Mobile Services						
Census Towns	No.	5,060	5,057	3	5,023	37
Non-Census Towns and Villages	No.	414,906	401,882	13,024	342,623	72,283
Population Coverage	%	81%	79%		71%	
Network Sites	No.	93,368	88,319	5,049	69,141	24,227
Telemedia Services						
Cities covered	No.	95	95	-	94	1
Carriers (National Long Distance)						
Optic Fibre Network	Rkms	101,337	90,205	11,132	73,787	27,550

4.6 Passive Infrastructure Services

4.6.1 Bharti Infratel

Parameters	Unit	March 31, 2009 [4]	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Total Towers	No.	27,548	61,355	-55%	53,083	-48%
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs.	33,586	31,488	7%	30,017	12%
Sharing Factor	Times	1.34	1.34	-	1.22	-

Note 4: Total towers is 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, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Total Towers[5]	No.	95,154	-	-	-	-
Key Indicators						
Sharing Factor	Times	1.48	-	-	-	-

Note 5: Bharti Infratel holds 42% in Indus towers

4.7 Human Resource Analysis

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Q-on-Q Growth	March 31, 2008	Y-on-Y Growth
Consolidated						
Total Employees	No.	24,538	25,553	-4%	25,543	-4%
Number of Customers per employee	No.	3,939	3,454	14%	2,516	57%
Mobile Services						
Number of Customers per employee	No.	11,992	10,555	14%	7,334	64%
Gross Revenue per employee per month	Rs.	3,495,127	3,261,121	7%	2,531,985	38%
Telemedia Services						
Number of Customers per employee	No.	272	242	12%	187	46%
Gross Revenue per employee per month	Rs.	285,538	260,398	10%	208,054	37%
Enterprise Services - Carriers						
Gross Revenue per employee per month	Rs.	3,144,397	3,324,522	-5%	2,207,217	42%
Enterprise Services - Corporates						
Gross Revenue per employee per month	Rs.	767,225	706,362	9%	653,506	17%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Key Industry and Company Developments

5.1.1 Industry

Recommendations on "An Approach to Rural Telephony – Suggested Measures for an Accelerated Growth"

On March 19, 2009, TRAI made recommendations to enhance rural telephony. The highlights of the same are as under:

- USOF should be separated from Department of Telecom (DoT) to act as an independent agency.
- Bidding process for distribution of subsidy should be followed only where it is necessary and USOF should concentrate primarily on planning and monitoring of implementation of the scheme.
- 2% USO levy should be reduced on covering 75% of the development blocks including villages.
- The USOF should determine the subsidy support for setting up mobile towers in different regions and any telecom operator setting up the tower in the designated SDCAs and sharing it, should be paid subsidy depending on the number of operators sharing the tower.
- The USOF may devise a scheme to call expression of interest from IP-I/NLD/UAS licensees to provide optical fibre from USOF subsidized towers to the nearest block headquarter. USOF shall give subsidy at the rate of maximum Rs one lakh per km per sharing (to be distributed over a period of three years) provided it shares the tower with at least one access service provider.
- USOF may device a scheme / agreement with state governments in which broadband connection is facilitated by USOF while state government would assure fixed number of broadband connections for government offices/ public places such as hospitals, schools etc.
- An amendment has been recommended in section 10 of the Indian Telegraph Act, 1885 to curtail delay in obtaining right of way permission.

Recommendation on "Lock-in period for Promoter's Equity and other related issues for Unified Access Service Licensees (UASL)"

On March 12, 2009, TRAI made its recommendations for Promoter's Equity and related conditions for UASL. The salient features of the same are as under:

- **Lock-in period for Promoter's Equity**

  i. There should be a lock-in of the equity share capital of promoter(s), whose net-worth has been taken into consideration for determining the eligibility for grant of UAS license for a period of three years from the effective date of license.
  ii. However, with prior written approval of the DoT and on fulfillment of roll out obligations, the promoters may be permitted to sell their equity share even during the lock-in period, subject to the condition that 50% of the profit earned on sale transaction of promoter(s) equity shall be
  iii. retained in the business as a special reserve and utilized for telecom network expansion only. The balance 50% of the profit shall be transferred to the DoT.
  iv. Where the present promoter (s) is/are different from the promoter (s) based on whose net-worth the license was granted, the stake of such present promoter (s) shall also be subject to the above lock-in conditions.

- **Promoters**

  i. Introduction of definition for Promoters in the License Agreement. The suggested definition is "A person who, acting alone or in conjunction with other persons, directly or indirectly takes the initiative in founding or organizing the business enterprise to establish, maintain or work a telegraph within any part of India."
  ii. Disclosure of the details with complete break-up of 100% of equity and net-worth of the licensee company including that of promoters on the effective date of license.

- **Additional Share Capital**

  i. Issue of additional equity share capital by the licensee companies/their holding companies by way of private placement/public issues should be permitted in accordance with statutory provisions (SEBI and Companies Act) subject to the condition that during the period coinciding with the lock-in period on sale of promoters' equity, the equity of the promoter (s) shall not fall below 10% of the total aggregate.
  ii. Management control of the licensee company shall be governed by the terms and conditions of the License Agreement.

- **Dividend/Special Dividend**

  The declaration of dividend and/or special dividend shall be governed by the statutory provisions under the Companies Act, 1956.

- **Pledging of Shares**

  Transfer of shares of promoter's, whose net-worth has been considered to determine eligibility for grant of UAS license, pursuant to enforcement of pledge by the lending financial institutions/banks due to events of defaults committed by the borrowers shall not be allowed during the lock-in period without prior written approval of the DoT. This provision will also apply to the present promoters where they are different from the original promoters.

- **Licensees holding UAS/CMTS licenses for a period of 3 years**

  All the above mentioned recommendations to apply mutatis mutandis to the licensees holding UAS/CMTS licenses for a period of 3 years, if they acquire from the DoT any new UAS license in some other service area in order to enlarge their area of operations.

Regulation on revised QoS for telecom sector

On March 20, 2009, TRAI released its revised regulation on standards for QoS of wireline & wireless services. The highlights of the same are as under:-

	Name of Parameter	Earlier Regulation	New Regulation
A	**Network Service Quality Parameters:**		
(i)	Network Availability		
	(a) BTSs Accumulated downtime (not available for service)	New parameter Proposed- <=1%	<=2%
	(b) Worst affected BTSs due to downtime	New parameter Proposed- <=1%	<=2%
(ii)	Connection Establishment (Accessibility)		
	(a) Call Set-up Success Rate (within licensee's own network)	> 95%	95%
	(b) SDCCH/ Paging Channel Congestion	< 1%	1%
	(c) TCH Congestion	<2%	2%
(iii)	Connection Maintenance (Retainability)		
	(a) Call Drop Rate	< 3%	2%
	(b) Worst affected cells having more than 3% TCH drop (call drop) rate	New parameter Proposed- <=3%	= 5% upto 31.03.2011 = 3% From 01.04.2011
	(c) connections with good voice quality	> 95%	95%
(iv)	Point of Interconnection (POI) Congestion (on individual POI)	< 0.5%	0.5%
B	**Customer Service Quality Parameters:**		
(v)	Metering and billing credibility – post paid	< 0.1% Proposed- New complaints added and name changed	Not more than 0.1% of bills issued should be disputed over a billing cycle
(vi)	Metering and billing credibility –- pre-paid	< 0.1% Proposed- New complaints added and name changed	Not more than 1 complaint per 1000 customers i.e. 0.1% complaints for metering, charging, credit, and validity
(vii)	(a) Resolution of billing/charging complaints	100% within 4 weeks	100% within 4 weeks
	(b) Period of applying credit/ waiver / adjustment to customer's account from the date of resolution of complaints	< 4 weeks	within 1 week of resolution of complaint
(viii)	Response Time to the customer for assistance		
	(a) Accessibility of call centre/ customer care	Calls Answered electronically within 20 secs.-80% within 40 secs -95%	95% 5% calls shall enclounter congestion
	(b)Percentage of calls answered by the operators (voice to voice) within 60 sec.	Calls Answered by operator within 60 secs.-80% within 90 secs -95%	90% 5% calls shall enclounter congestion
(ix)	Termination/ closure of service		= 7 days
(x)	Time taken for refund of deposits after closures		100% within 60 days
C	**Service Coverage**	Indoor>= -75 dBmIn-vehicle>= -85 dBmOutdoor in city >= -95 dBm	For In-door coverage the signal strength that street level shall be = -75 dBm and In-vehicle shall be = -85 dBm.
D	**Customer Perception of Service**		
(i)	customers satisfied with the provision of service	95%	90%
(ii)	customers satisfied with the billing performance	90%	95%
(iii)	customers satisfied with network performance, reliability & availability	95%	95%

	Name of Parameter	Earlier Regulation	New Regulation
(iv)	customers satisfied with maintainability	95%	95%
(v)	customers satisfied with supplementary and value added services	95%	90%
(vi)	customers satisfied with help services including customer grievance redressal	90%	90%
(vii)	customers satisfied with overall service quality	95%	90%

New Interconnect Usage Charges (IUC) Regulation

On March 9, 2009, TRAI issued the new Interconnect Usage Charges (IUC) Regulation. The highlights of the same are as under:

S.No.	IUC Components	Old Charges (in Rs. per minute)	New Charges (w.e.f 1st April 09)
1	Termination Charge	0.30	0.20
2	Termination Charge on incoming International Calls	0.30	0.40
3	Transit Charge (Charge between LDCA & SDCA)	0.20	0.15
4	Intra SDCA Transit Charge	0.19	0.14
5	Origination Charge	Under forbearance	Under forbearance
6	Maximum Ceiling on carriage charge	0.65	0.65

Recommendations on Value Added Services (VAS)

On February 13, 2009, TRAI made its recommendations on VAS. The highlights of the same are as under:

- No separate category of licence or registration for VAS.
- Mutual commercial agreements between telecom access service providers and content providers/ content aggregators for revenue share in the provisioning of value added services remains the model.
- DoT being National Numbering Plan administrator may make appropriate arrangement for allocation of common short codes (CSCs), for specific service areas or on an all India basis, for value added services and also may evolve fee concept for such allocation of common short codes (CSCs).There is no pre-requisite for any license or registration to acquire common short codes (CSCs) serving more than one access service provider.

Guidelines for better Internet/ broadband service

On February 3, 2009, TRAI issued guidelines to ensure that ISPs and telecom operators provide adequate broadband speed to their customers.

TRAI has fixed a minimum “contention ratio” of users who can share the same bandwidth, to ensure that customers get better and higher broadband speeds. Earlier, there was no such restriction on operators, as a result of which they offered internet and broadband services at a contention ratio of 1:80 to 1:100 (which implies that the same bandwidth would be used by 80-100 customers). Under the new guidelines, the contention ratio for broadband at home has been fixed at 1:50 and for businesses at 1:30. Most of the ISPs believe that the move will increase broadband tariffs as the companies will have to buy bandwidth to comply with the new norms.

Recommendations on auctioning procedure and reserve price - 800MHz band

On January 28, 2009, TRAI made its recommendations / comments on the auctioning procedure and reserve price of one carrier 2x1.25MHz for EVDO in 800MHz band for CDMA 3G services, as sought by DoT. Brief highlights of the same are as under:

- On the point that “*DoT has decided to auction one carrier of 2x1.25MHz for EVDO in 800MHz band for CDMA 3G services*” TRAI recommended DoT to explore more than one block for EVDO in 800MHz band for CDMA 3G services.
- TRAI maintained its earlier position that only existing CDMA operators should be eligible for participation in 800MHz bidding as a standalone licensee with only 1 block of 2x1.25MHz carrier in 800MHz band will not find a viable business model.
- On the timing of auction of 800MHz, TRAI made the following recommendations:
    i. The auction of spectrum in 800MHz band should either be held simultaneously or after the auction of 2.1GHz band.
    ii. In case the auction of 800MHz and 2.1GHz takes place simultaneously, then the reserve price for 800MHz band should be 25% of reserve price of 2.1GHz spectrum and the successful bidder should pay the highest bid amount of 800MHz band or pro-rated highest bid amount in 2.1GHz band, whichever is higher.
    iii. In case the auction of 800Mhz takes place after the auction of 2.1GHz, then the reserve price of 800MHz should be 25% of highest successful bid amount of 2.1GHz.
- TRAI also recommended levying 2% annual administrative charge of the highest bid amount for 800MHz.
- As per TRAI, as 3G spectrum will be allocated through auction, subscriber based criterion of 2G spectrum will not be applicable for allocation of additional 3G spectrum. For a service provider having 2G and 3G spectrum, it will not be feasible for him to separate the subscribers of 2G & 3G services and accordingly it will be difficult for the government to allocate additional 2G spectrum based of combined 2G & 3G subscriber base. As DoT has already formed a committee to look into the issue of spectrum allocation criterion, the regulator has advised DoT to look into this aspect also.

Allocation of Level ‘95’ and Sub Level of ‘8’ for Mobile Services

On February 9, 2009 DoT issued Directive for allocating level “95”and Sub levels of “8”for their use as access code for mobile services.

DoT directed that:

- The Level ‘95’ shall not be used for accessing long distance calls from 23rd Feb 2009.
- Sub Levels of ‘8’ shall be used as access codes for mobile services.

5.1.2 Company

Key developments

- The Board of Directors have recommended a **dividend** of Rs 2 per equity share of Rs. 10 each (20 % of face value) for financial year 2008-2009. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the company.

- The Board of directors in its meeting held on April 29, 2009 have approved **sub-division (share split) of existing equity shares** of Rs. 10/- (Ten) each into 2 (two) equity shares of Rs. 5 (Five) each, subject to the approval of its shareholders.

- Bharti Airtel Limited announced key apex level **organizational changes** aimed at laying the foundation for the company’s next phase of growth. Manoj Kohli, CEO & Joint Managing Director, Bharti Airtel will increasingly focus on strategy development, governance and organisation development. Sanjay Kapoor has been elevated from President – Mobile Services to a newly created position of Deputy CEO. In his new role, Sanjay will lead the Mobile, Telemedia and DTH businesses. Sanjay will report to Manoj Kohli. Having led the transformation at the Telemedia business, Atul Bindal will take over as President – Mobile Services. K Srinivas who was Executive Director (East) – Mobile Services and in-charge of Sri Lanka operations will take over as Joint President - Telemedia Services. Atul and K Srinivas will report to Sanjay Kapoor. David Nishball will continue as President - Enterprise Services and will report to Manoj Kohli.

- Bharti Airtel has **pioneered 16 Mbps broadband – the fastest wireline broadband on DSL in the country.** This service, powered by Airtel’s Carrier Ethernet Network, will be initially available in the cities of Delhi NCR, Chennai and Bangalore with phased roll-out to additional cities of Hyderabad, Pune, Mumbai and Kolkata.

- Bharti Airtel announced the launch of the **world’s first Windows based Online Desktop-*powered by Microsoft and Nivio*,** giving access to a personal virtual desktop from any computer connected to the internet for Airtel broadband customers. This initiative will pave the way for easy and affordable access to computing and broadband in India. This service will be available to all Airtel broadband customers across 95 cities in the country.

- **Australia Japan Cable** and Bharti Airtel entered into a partnership agreement to interconnect their current and future networks in Guam. This landmark agreement will allow both parties to offer services from a number of locations including Singapore and the USA West Coast to Australia. The innovative agreement will utilize the undersea cable assets of Bharti Airtel and AJC. The joint network is expected to carry commercial traffic by end of Q1 FY 09-10.

- Airtel launched **Overseas Recharge Service**, yet another ‘first’ in the Indian telecom market. Airtel has partnered with ezetop International to make prepaid recharge available in over 150 money exchanges in the UAE and online at www.ezetop.com.

- Airtel announced the introduction of a never before **calling rate of 1 cent per minute** on its online calling card service www.airtelcallhome.com. This will enable NRIs in US to call friends and family back in India at the most competitive rates in the market.

- Airtel is now a fully **ISO 27001:2005 Certified** Organization. The ISO 27001:2005 certification (from BSI: British Standards Institute) ensures a high quality information security environment in Airtel. It helps build trust and confidence amongst customers and further enhances the confidence of employees in operational processes. With a total of 29 certificates awarded under the ISO 27001:2005 Certification Program, Airtel has the unique distinction of being awarded the largest number of certificates to any single company in India across sectors and one of the largest in the world.

- Bharti Airtel bagged **Best Carrier India** award at the Telecom Asia Awards 2008, held in Hong Kong on 27th March 2009 for innovative products and services and efficient cost models. The company was also honoured with **Ovum Telco-Transformation** award, recognising philosophy and execution of our outsourcing strategy profitably.

- Airtel has been honoured with **"Retailer of the Year - Telecom Services"** Award. This award was conferred upon at Asia Retail Congress 2009 at Mumbai. In recent times, Asia Retail Congress (comprising of key players in the retail area as its esteemed members) has been an important forum and a global platform to promote world class retail practices

- Mr. Sunil Bharti Mittal joined the **Board of Trustees of the Carnegie Endowment for International Peace**. Mr. Mittal is the **first Indian** to join the Board of this prestigious global think tank that numbers former UN Secretary General Kofi Annan among its only three non US board members.

- Mr. Akhil Gupta, Deputy Group CEO and Managing Director, Bharti Enterprises has won the **CA Business Achiever Award**. The awards instituted by the Institute of Chartered Accountants of India (ICAI) acknowledges the Chartered Accountants in the industry who have demonstrated excellence in the way they conduct their profession, are exemplary role models in the industry and have created value to their company's stakeholders on a sustainable basis.

- Mr. Manoj Kohli, CEO and Managing Director, Bharti Airtel, received the prestigious **‘Change Master’ award** from the **National Human Resource Development Network (NHRDN)** for his excellent transformational leadership and sustained business contribution.

5.2 Results of Operations

The company has reported its (1) audited financial results for the quarter ended March 31, 2008 and full year ended March 31, 2008; (2) audited financial results for the quarter ended March 31, 2009 and full year ended March 31, 2009. 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, 2009*

- **Overall Customer crosses 96.6 million.**
- **Highest ever-net addition of 32.4 million of total customers in a year.**
- **Market leader with a market share of all India wireless subscribers at 24% (23.7% last year)**
- **Total Revenues of Rs. 369.6 billion (up 37% Y-o-Y).**
- **EBITDA of Rs. 151.7 billion (up 33% Y-o-Y).**
- **Cash profit from operations of Rs. 140.1 billion (up 26% Y-o-Y).**
- **Net Profit of Rs. 84.7 billion (up 26% Y-o-Y).**

Key Highlights - *For the quarter ended March 31, 2009*

- **Highest ever-net addition of 8.4 million customers in a single quarter.**
- **Total Revenues of Rs. 98.2 billion (up 26% Y-o-Y).**
- **EBITDA of Rs. 40.0 billion (up 23% Y-o-Y).**
- **Cash profit from operations of Rs. 37.9 billion (up 25% Y-o-Y).**
- **Net Profit of Rs. 22.4 billion (up 21% Y-o-Y).**

Bharti Airtel Consolidated

Full year ended March 31, 2009

The consolidated revenues and EBITDA for the year ended March 31, 2009 was Rs. 369,615 million and Rs. 151,678 million respectively. The consolidated revenues and EBITDA grew by 37% and 33% respectively for the year ended March 31, 2009. The EBITDA margin (ratio of EBITDA to total revenues) for the year was 41%.

The cash profit from operations for the year ended March 31, 2009 was Rs 140,065 million as compared to Rs 111,374 million for the year ended March 31, 2008, a growth of 26% year on year. The net finance cost for the year was Rs 11,613 million.

The earnings before tax for the year ended March 31, 2009 was Rs. 93,073 million and the net profit was at Rs 84,699 million leading to an earnings per share of Rs 44.67 . The current tax expense for the year was Rs. 10,400 million and the deferred tax expense/(income) was Rs. (3,785) million.

The capital expenditure for the full year was Rs 140,171 million (~US$ 2751 million).

Quarter ended March 31, 2009

Customer Base

As on March 31, 2009, the company had an aggregate of 96,649,487 customers, consisting of 93,923,248 GSM mobile and 2,726,239 Telemedia customers. Its total customer base as on March 31, 2009 increased by 50% compared to the customer base as on March 31, 2008.

Revenues/Turnover

During the quarter ended March 31, 2009, the company had revenues of Rs 98,245 million; a growth of 26% compared to the quarter ended March 31, 2008. Revenues from mobile services represented 84% of the total revenues for the quarter ended March 31, 2009. Non-voice revenue contributed to approximately 14.1% of the total revenues for the quarter.

Operating Expenses (ex-revenue share license and spectrum fee) During the quarter ended March 31, 2009; the company incurred an operating expenditure of Rs. 33,474 million representing 34% of the total revenues. The operating expense comprises:

- Rs. 16,905 million towards network operations costs (~17.2% of turnover)
- Rs. 4,505 million towards employee costs, (~4.6% of turnover)
- Rs. 174 million towards equipments costs, and
- Rs. 11,890 million towards selling general and administrative costs (~12.1% of turnover)

The operating expenses grew by 30.9% compared to the quarter ended March 31, 2008. The increase in the operating expenses is associated to the costs pertaining to the expansion of operations.

EBITDA, Finance Cost and Cash Profit from Operations

During the quarter ended March 31, 2009, the company had an EBITDA of Rs. 40,014 million; a growth of 23% compared to the quarter ended March 31, 2008. The EBITDA margin for the quarter was 41%.

The net finance expense for the quarter ended March 31, 2009 was Rs. 2,136 million. The interest on borrowings during the quarter was Rs. 873 million and the finance income (primarily related to income on marketable securities) was Rs. 1,332 million. The balance amount was other finance costs, effect of exchange fluctuation and the effect of derivative accounting.

The cash profit from operations after derivative and exchange fluctuations for the quarter was Rs. 37,878 million, an increase of 25%, as compared to the quarter ended March 31, 2008. During the quarter ended March 31, 2009, the company had depreciation and amortization expenses of Rs. 13,285 million.

Income Before Income Taxes (PBT)

The income before income tax for the quarter was Rs. 24,906 million, an increase of 18%, as compared to the quarter ended

March 31, 2008. The current tax for the quarter ended March 31, 2009 was Rs. 2,778 million and deferred tax expense / (income) of Rs. (756) million.

Net income
The net income for the quarter ended March 31, 2009 was Rs 22,393 million.

Balance Sheet
As on March 31, 2009, the company had total assets of Rs. 603,947 million and total liabilities of Rs. 289,298 million respectively. The difference of Rs. 314,649 million was on account of stockholder's equity and minority interest.

The company had a net debt of Rs. 69,635 million (US$ 1367 million) as on March 31, 2009, resulting in a net debt to EBITDA (LTM) of 0.46 times. However, Net Debt to EBITDA (LTM) for the period amounts to 0.25 times exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

Capital Expenditure
During the quarter ended March 31, 2009, the company incurred capital expenditure of Rs. 28,858 million (US$ 566 million).

Human Resources
As on March 31, 2009, the company had a total of 24,538 employees consisting of 7,832 in Mobile services, 10,022 in Telemedia services, 3,646 in Enterprise services, 2,418 in Others and 620 in Passive Infrastructure services.

Mobile Services

Customer Base, Churn, ARPU and MoU
As at the end of the quarter the company had 93,923,248 GSM mobile customers on its network, which accounted for a market share of 24% of the all India mobile market.

Of its 93,923,248 GSM mobile customers as of March 31, 2009, post-paid customers contributed 5.8% to the overall customer base while pre-paid customers contributed the balance 94.2%. During the quarter, Bharti's share of 8,272,515 net additions was 18.4% of all India wireless subscriber net additions.

The average monthly churn for the quarter ended March 31, 2009 was 2.5% (1.2% voluntary churn and 1.4% company initiated churn) for its post-paid segment, and 3.2% for the pre-paid segment.

During the quarter, blended ARPU was Rs. 305 (US$ 6) per month as compared to Rs 324 (US$ 6.4) per month in the quarter ended December 31, 2008. The blended monthly usage per customer, during the quarter, was at 485 minutes. Non voice revenue, which includes Short Messaging Service (SMS), voice mail service, call management and other value added services like Hello Tunes, Music on Demand and Airtel Live contributed to approximately 9.3% of the total revenues of the segment. The Short Messaging Services (SMS) revenue, which is primarily text messaging, accounted for 3.7% of the total revenue of the segment, for the quarter ended March 31, 2009.

Revenues, EBITDA and EBIT
The revenues for the quarter ended March 31, 2009 for mobile services stood at Rs 82,216 million, an increase of 28% over the corresponding quarter last year. The revenue from this segment contributed to 84% of the total consolidated revenues. The EBITDA during the quarter ended March 31, 2009 was Rs. 25,860 million representing growth of 14% over the quarter ended March 31, 2008. The EBITDA margin for the quarter ended March 31, 2009 was 31.5%. The EBIT for the quarter ended March 31, 2009 was Rs 18,693 million as compared to Rs 16,934 million for the quarter ended March 31, 2008, an improvement of 10%.

Capital Expenditure
During the quarter ended March 31, 2009, the company incurred a capital expenditure of Rs 11,232 million (US$ 220 million) on its mobile services.

Telemedia Services

Customer Base and ARPU
At the end of the quarter ended March 31, 2009, the company had its Telemedia operations in 95 cities. During the quarter, the company added 106,778 customers on its Telemedia networks with 2,726,239 customers as on March 31, 2009. The company had approximately 10.72 lakh customers (~39.3% of the total customer base) subscribing to broadband (DSL) services.

The ARPU for the quarter was Rs. 1,071 (US$ 21) per month.

Revenues, EBITDA and EBIT
For the quarter ended March 31, 2009, the revenues from its Telemedia operations of Rs 8,585 million, represented a growth of 12% over the corresponding quarter last year. The EBITDA for the quarter was Rs. 3,614 million compared to Rs. 3,344 million in the corresponding prior year quarter, an increase of 8% respectively. The EBITDA margin for this segment was 42.1% for the quarter ended March 31, 2009. The EBIT for the quarter ended March 31, 2009 was Rs 1,969 million.

Capital Expenditure
During the quarter ended March 31, 2009, the company incurred a capital expenditure of Rs. 4,614 million (US$ 91 million) on its Telemedia services.

Enterprise Services – Carriers

Revenues, EBITDA and EBIT
For the quarter ended March 31, 2009, the revenues from its long distance services were Rs. 17,508 million, representing a growth of 39% over the corresponding quarter last year. The EBITDA from this segment during the quarter was Rs 7,889 million, an increase of 96% over the corresponding quarter last year. The EBITDA margin for the quarter was 45.1%**.** The EBIT of this segment was Rs. 6,794 million representing an increase of 114% over the corresponding quarter last year.

Capital Expenditure
During the quarter ended March 31, 2009, the company incurred a capital expenditure of Rs. 6,364 million (US$ 125 million) on its Enterprise Services-Carriers.

Enterprise Services - Corporates

Revenues, EBITDA and EBIT
For the quarter ended March 31, 2009, the revenue from this segment was Rs. 4,120 million, a growth of 9% over the corresponding quarter last year. The EBITDA for this segment for the quarter ended March 31, 2009 was Rs. 2,031 million. The EBITDA margin for this segment in the quarter ended March 31, 2009 was 49.3%. The EBIT of this segment was Rs. 1,620 million.

Capital Expenditure
During the quarter ended March 31, 2009, the company incurred a capital expenditure of Rs. 444 million (US$ 9 million) on its Enterprise Services-Corporates.

Passive Infrastructure Services

Towers and Sharing Operators
As at the end of the quarter, the company had 27,548 towers. Sharing factor for the quarter ended March 31, 2009 was 1.34 times.

Revenues, EBITDA and EBIT
For the quarter ended March 31, 2009, the revenues from its passive infrastructure services were Rs. 7,241 million. The EBITDA from this segment during the quarter was Rs 2,903 million. The EBITDA margin for the quarter, was 40.1%. The EBIT of this segment was Rs. (187) million.

Capital Expenditure
During the quarter ended March 31, 2009, the company incurred a capital expenditure of Rs. 4,807 million (US$ 94 million) on its passive infrastructure services.

Impact of Indus Right of Use on Consolidated financial statements:

Under USGAAP, a subsidiary is consolidated on a line by line basis, hence group revenue earned by Bharti Infratel is eliminated and only non group revenue is reflected in consolidated accounts. However, US GAAP mandates equity accounting for a joint venture, thus only PAT of Indus is accounted after EBIT. With effect from 1st Jan 09 (right of use effective date), amount paid by Mobile services to Indus is not getting eliminated, leading to increased network operations cost in quarter ending 31 March 09 and drop in EBITDA margin by ~ 3%. Till merger is consummated, Bharti will account for depreciation for towers given on right of use, however Bharti will receive an IRU income for the transferred towers. Drop in EBITDA is partially offset by IRU income received from Indus leading to a net impact of ~ 2% on EBITDA margin

SECTION 6

STOCK MARKET HIGHLIGHTS

6.1 General Information

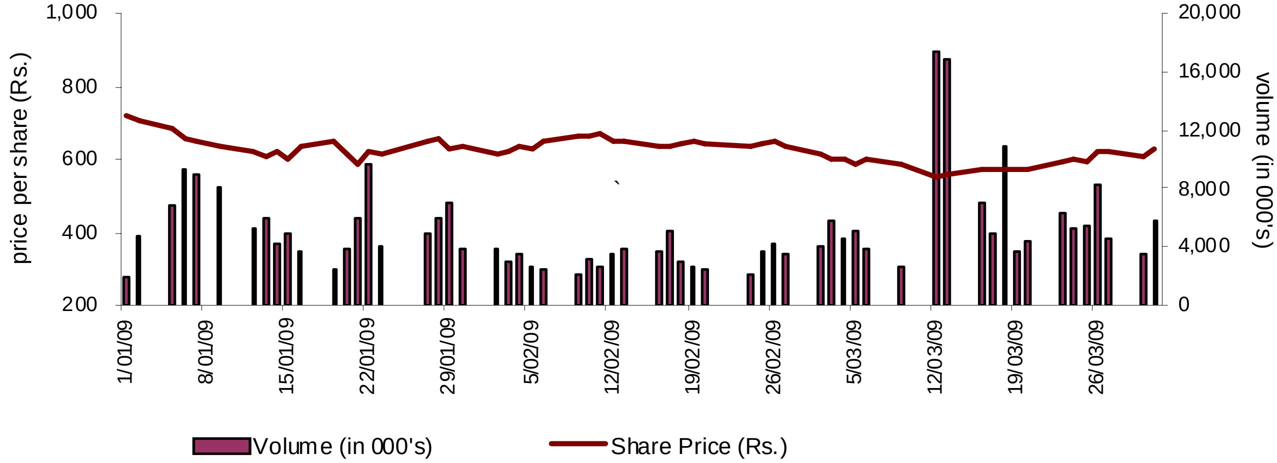
Shareholding and Financial Data		
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (31/03/09)	Million Nos.	1,898.24
Closing Market Price - BSE (31/03/09)	Rs./Share	625.80
Combined Volume (NSE & BSE) (01/01/09-31/03/09)	No. in Mn/day	5.14
Combined Value (NSE & BSE) (01/01/09-31/03/09)	Rs. bn./day	3.16
Market Capitalization	Rs. bn	1,188
Market Capitalization	US$ bn	23.32
Book Value Per Equity Share	Rs./share	160.12
Market Price/Book Value	Times	3.91
Net Debt to EBITDA (LTM)[6]	Times	0.46
Enterprise Value	Rs. bn	1,258
Enterprise Value	US$ bn	24.68
Enterprise Value/ Annualised Q4 Revenue	Times	3.20
Enterprise Value/ Annualised Q4 EBITDA	Times	7.86

Note 6: Net Debt to EBITDA (LTM) for the period amounts to 0.25 times exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

6.2 Summarized Shareholding pattern as of March 31, 2009

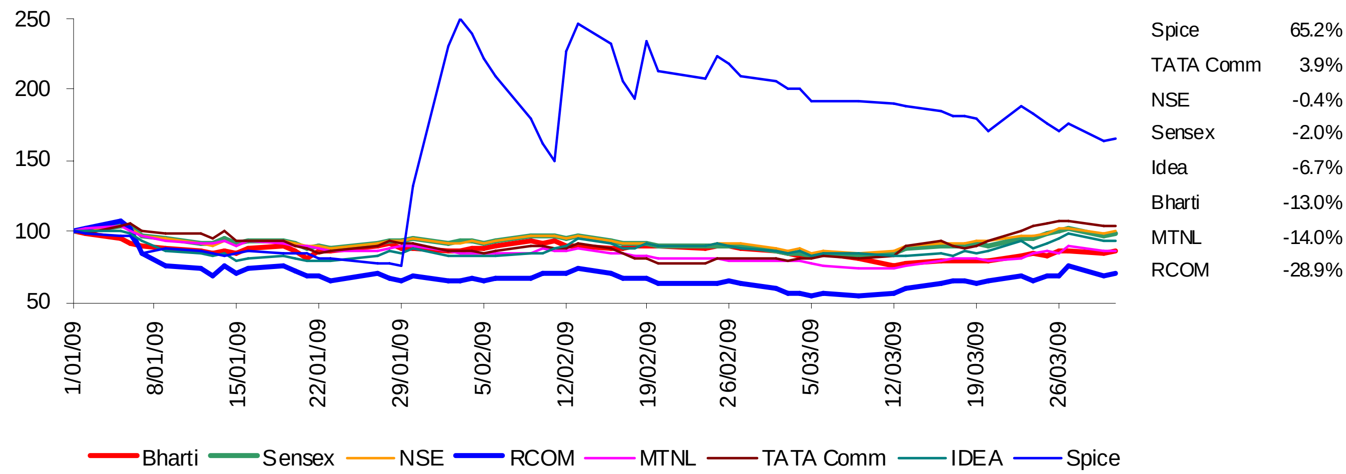
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	859,986,028	45.30%
Foreign	414,744,373	21.85%
Sub total	**1,274,730,401**	**67.15%**
Public Shareholding		
Institutions	533,430,344	28.10%
Non-institutions	90,079,051	4.75%
Sub total	**623,509,395**	**32.85%**
Total	**1,898,239,796**	**100.00%**

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

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 24, Mobile Services : - Page 25, Telemedia Services : - Page 26, Enterprise Services (Carriers): - Page 26, Enterprise Services (Corporates): - Page 26, Others: - Page 27, Passive Infrastructure Services : - Page 27.
Earnings before Interest and Taxation (EBIT)	Operating Income	Consolidated : - Page 24, Mobile Services : - Page 25, Telemedia Services : - Page 26, Enterprise Services (Carriers): - Page 26, Enterprise Services (Corporates): - Page 26, Others: - Page 27, Passive Infrastructure Services : - Page 27.
Cash Profit from Operations after Derivative and Exchange Fluctuations	Operating Income	Page 24
Income after current tax expenses	Income before taxation	Page 24
Net Revenues	Total revenues	Page 24
Total Non Current Assets	N.A	Page 25
Total Non Current Liabilities	N.A	Page 25
Earnings before Interest and Taxes	N.A.	Page 24
Total Revenues	N.A.	Page 24
Schedule of Cost of services	N.A	Page 28
Schedule of Operating expenses	N.A	Page 28
Schedule of Depreciation and Amortization	N.A	Page 28
Schedule of Net debt	N.A	Page 28
Schedule of Finance cost (net)	N.A	Page 29
Schedule of Income tax	N.A	Page 29

7.1 Reconciliation of Non-GAAP financial information based on USGAAP

7.1.1 Consolidated

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**26,729**	**104,097**
Depreciation and Amortization	13,285	47,581
EBITDA	**40,014**	**151,678**
Operating Income to Cash Profit from Operations		
Operating Income	**26,729**	**104,097**
Depreciation and Amortization	13,285	47,581
Interest income	1,074	16,005
Interest expense	(3,210)	(27,618)
Cash Profit from Operations	**37,878**	**140,065**
Operating Income to EBIT		
Operating Income	**26,729**	**104,097**
Less:		
Share of Loss/(profits) in associates/ joint ventures	56	713
Non operating expenses	56	220
Add:		
Other income	425	1,522
EBIT	**27,042**	**104,686**
Total Revenue to Net Revenue		
Total Revenue	**98,245**	**369,615**
Less:		
Access charges	14,149	52,903
Net Revenue	**84,096**	**316,712**
Income before Income taxes to Income after current tax expense		
Income before Income taxes	24,906	93,073
Less:		
Current tax expense	2,778	10,400
Income after current tax expense	**22,128**	**82,673**

7.1.1 Consolidated (cont.)

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Total Non Current Assets		
Property and equipment, net	409,136	409,136
Acquired intangible assets, net	13,310	13,310
Goodwill	27,054	27,054
Investment in associates and joint ventures	128	128
Restricted cash, non-current	12	12
Other assets	10,228	10,228
Total Non Current Assets	**459,868**	**459,868**

Particulars	Quarter Ended March 2009	Year Ended March 2009
Total Non Current Liabilities		
Long-term debt, net of current portion	53,993	53,993
Deferred taxes on income	7,556	7,556
Unearned income- Indefeasible right to use sales	3,330	3,330
Other liabilities	7,234	7,234
Total Non Current Liabilities	**72,113**	**72,113**

7.1.2 Mobile Services

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**18,420**	**67,811**
Depreciation and Amortization	7,440	26,239
EBITDA	**25,860**	**94,050**

Operating Income to EBIT		
Operating Income	**18,420**	**67,811**
Less:		
Share of profits in associates/ joint ventures	1	6
Non operating expenses	0	1
Add:		
Other income	274	740
EBIT	**18,693**	**68,544**

7.1.3 Telemedia Services

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**1,964**	**8,129**
Depreciation and Amortization	1,650	6,079
EBITDA	**3,614**	**14,208**
Operating Income to EBIT		
Operating Income	**1,964**	**8129**
Add:		
Other income	5	60
EBIT	**1,969**	**8189**

7.1.4 Enterprise Services – Carriers

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**6,679**	**25,766**
Depreciation and Amortization	1,210	4,408
EBITDA	**7,889**	**30,174**
Operating Income to EBIT		
Operating Income	**6,679**	**25,766**
Add:		
Other income	115	303
EBIT	**6,794**	**26,069**

7.1.5 Enterprise Services - Corporates

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**1,594**	**5,916**
Depreciation and Amortization	437	1,653
EBITDA	**2,031**	**7,569**
Operating Income to EBIT		
Operating Income	**1,594**	**5,916**
Add:		
Other income	26	43
EBIT	**1,620**	**5,959**

7.1.6 Others

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**(1,651)**	**(6,795)**
Depreciation and Amortization	273	626
EBITDA	**(1,378)**	**(6,169)**

Operating Income To EBIT		
Operating Income	**(1,651)**	**(6,795)**
Less:		
Share of loss/(profits) in associates/ joint ventures	1	(6)
Non operating expenses	55	219
Add:		
Other Income	5	372
EBIT	**(1,702)**	**(6,636)**

7.1.7 Passive Infrastructure Services

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Operating Income To EBITDA		
Operating Income	**(188)**	**3,656**
Depreciation and Amortization	3,091	11,366
EBITDA	**2,903**	**15,022**

Operating Income To EBIT		
Operating Income	**(188)**	**3,656**
Add:		
Other Income	1	11
EBIT	**(187)**	**3,667**

7.2 Schedules to Financial Statements

7.2.1 Schedule of Cost of services

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Access charges	14,149	52,903
Licence fees, revenue share and spectrum charges	10,608	38,270
Network operations costs	16,905	59,352
Employee costs	4,505	16,992
Depreciation and Amortization (excluding intangibles)	12,444	45,987
Cost of Services	**58,611**	**213,504**

7.2.2 Schedule of Operating expenses

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Network operations costs	16,905	59,352
Equipment costs	174	1,448
Employee costs	4,505	16,992
Selling, general and administrative costs	11,890	48,972
Operating Expenses	**33,474**	**126,764**

7.2.3 Schedule of Depreciation and Amortization

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Fixed Assets	12,712	45,459
Licence Fees	167	636
ESOP	262	897
Intangibles	144	589
Depreciation and Amortization	**13,285**	**47,581**

7.2.4 Schedule of Net debt

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Long term debt, net of current portion	53,993	53,993
Short-term borrowings and current portion of long-term debt	64,808	64,808
Less:		
Cash and cash equivalents	11,145	11,145
Restricted cash	84	84
Restricted cash, non-current	12	12
Short term investments	37,925	37,925
Net Debt [7]	**69,635**	**69,635**

Note 7: Net Debt for the period amounts to Rs 37,599 million exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

7.2.5 Schedule of Finance cost (net)

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Interest on borrowings	873	3,479
Finance charges	233	939
Finance income	(1,332)	(4,730)
Derivatives and exchange fluctuation	2,362	11,925
Finance cost (net)	**2,136**	**11,613**

7.2.6 Schedule of Income tax

Amount in Rs million

Particulars	Quarter Ended March 2009	Year Ended March 2009
Current tax expense	2,778	10,400
Deferred tax expense / (income)	(756)	(3,785)
Income tax expense	**2,022**	**6,615**

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 2009	March 2008	Y-on-Y Growth	March 2009	March 2008	Y-on-Y Growth
Revenues						
Services	96,745	77,962	24%	366,249	269,004	36%
Indefeasible right to use sales	1,271	109		1,598	436	
Equipment Sales	229	120	91%	1,768	810	118%
Total Revenues	**98,245**	**78,191**	**26%**	**369,615**	**270,250**	**37%**
Operating Expenses						
Cost of Services	(58,611)	(43,230)	36%	(213,504)	(152,551)	40%
(Inclusive of depreciation and amortization)						
Costs of Equipment sales	(174)	(89)	96%	(1,448)	(661)	119%
Selling, general & administrative expenses	(12,731)	(12,056)	6%	(50,566)	(40,583)	25%
(Inclusive of amortization of intangibles)						
Total Operating Expense	**(71,516)**	**(55,375)**	**29%**	**(265,518)**	**(193,795)**	**37%**
Operating Income	**26,729**	**22,816**	**17%**	**104,097**	**76,455**	**36%**
Interest expense	(3,210)	1,527		(27,618)	(4,054)	
Interest income	1,074	(3,684)		16,005	1,713	
Share of (loss)/profits in associates / joint ventures	(56)	(2)		(713)	(1)	
Other income	425	683	-38%	1,522	2,740	-44%
Non operating expenses	(56)	(208)		(220)	(317)	
Income before Income Taxes	**24,906**	**21,132**	**18%**	**93,073**	**76,537**	**22%**
Income tax expense	(2,022)	(2,085)		(6,615)	(8,378)	
Minority interest	(491)	(518)		(1,759)	(1,151)	
Net income	**22,393**	**18,529**	**21%**	**84,699**	**67,008**	**26%**
Earnings per share for profit attributable to common shareholders						
Basic	11.81	9.78		44.67	35.36	
Diluted	11.81	9.76		44.65	35.31	
Weighted average number of shares used in computing earnings per share						
Weighted average number of common shares (in millions)	1,896	1,895		1,896	1,895	
Weighted average number of diluted shares (in millions)	1,896	1,898		1,897	1,898	

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

Amount in Rs. Million

Particulars	As at March 31, 2009
ASSETS	
Cash and cash equivalents	11,145
Accounts receivable, net of allowances for doubtful debts	18,262
Unbilled receivables	10,266
Inventories	963
Short term investments	37,925
Deferred taxes on income	8,810
Derivative financial instruments	11,545
Restricted cash	84
Pre-paid expenses and other current assets	29,957
Due from related parties	15,122
Total Current Assets	**144,079**
Property and equipment, net	409,136
Acquired intangible assets, net	13,310
Goodwill	27,054
Investment in associates and joint ventures	128
Restricted cash, non-current	12
Other assets	10,228
Total Assets	**603,947**
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Short-term borrowings and current portion of long-term debt	64,808
Trade payables	18,771
Equipment supply payables	62,359
Accrued expenses	31,358
Unearned income	30,912
Unearned income- Indefeasible right to use sales	292
Derivative financial instruments	499
Due to related parties	40
Other current liabilites	8,146
Total current liabilities	**217,185**
Long-term debt, net of current portion	53,993
Deferred taxes on income	7,556
Unearned income- Indefeasible right to use sales	3,330
Other liabilities	7,234
Total liabilities	**289,298**
Minority interest	10,704
Stockholders' equity	
Common stock, par value Rs.10 per share	18,982
Advances against equity	3
Additional paid in capital	74,103
Treasury stock	(107)
Retained earnings	210,664
Accumulated other comprehensive income (loss)	300
Total stockholders' equity	**303,945**
Total liabilities and stockholders' equity	**603,947**

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

Amount in Rs. Million

Particulars		Quarter Ended March 31, 2009	Year Ended March 31, 2009
<u>Cash flows from operating activities</u>			
Net income	**a**	**22,393**	**84,699**
Add: Non Cash items	**b**		
Depreciation and amortization		13,285	47,581
Tax expense / (income)		2,022	6,615
Impact of fair valuation of financial instruments		2,578	12,237
Cash generated from operations before working capital changes	**c=a+b**	**40,278**	**151,132**
(Increase)/decrease in working capital		(13,504)	(18,501)
(Increase)/decrease in non-current assets		(2,482)	(15,058)
Increase/(decrease) in non-current liabilities		1,791	2,926
Net cash provided/(used) by/in operating activities	**d**	**(14,195)**	**(30,633)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(28,858)	(140,171)
(Investment) / sale in associate		(12)	(20)
Net cash provided/(used) by/in investing activities	**e**	**(28,870)**	**(140,191)**
Cash flows from financing activities			
Increase/(decrease) in borrowings		5,413	9,500
Increase/(decrease) in Stockholders Equity		655	4,352
Net cash provided/(used) by/in financing activities	**f**	**6,068**	**13,852**
Cash and cash equivalents[8]			
Beginning of the period	**g**	45,885	55,006
End of the period	**h=c+d+e+f +g**	49,166	49,166

Note 8: 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-09	Dec-08	Sep-08	Jun-08	Mar-08
Total Revenues	98,245	96,334	90,203	84,833	78,191
Access and interconnection charges	14,149	13,426	12,902	12,426	12,298
Operating Expenses	33,474	33,426	31,212	28,654	25,574
Licence Fee	10,608	10,030	9,096	8,532	7,801
EBITDA	40,014	39,450	36,993	35,221	32,518
Cash profit from operations after Derivative and Exchange Fluctuations	37,878	37,546	31,252	33,389	30,361
Income before income taxes	24,906	24,629	19,724	23,814	21,132
Net income	22,393	21,593	20,463	20,250	18,529

	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08
As a % of Total Revenues					
Access and interconnection charges	14.4%	13.9%	14.3%	14.6%	15.7%
Operating Expenses	34.1%	34.7%	34.6%	33.8%	32.7%
Licence Fee	10.8%	10.4%	10.1%	10.1%	10.0%
EBITDA	40.7%	41.0%	41.0%	41.5%	41.6%
Cash profit from operations after Derivative and Exchange Fluctuations	38.6%	39.0%	34.6%	39.4%	38.8%
Income before income taxes	25.4%	25.6%	21.9%	28.1%	27.0%
Net income	22.8%	22.4%	22.7%	23.9%	23.7%

A.2.2 Based on Balance Sheet

Amount in Rs. Million

Parameters	As at				
	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08
Stockholder's Equity	303,945	281,233	259,280	238,329	217,042
Net Debt	69,635	64,923	50,731	41,562	42,057
Capital Employed = Stockholder's equity + Net Debt	373,580	346,156	310,011	279,891	259,099

Parameters	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08
Return on Stockholder's equity (LTM)	32.6%	34.1%	35.9%	37.9%	39.6%
Return on Capital Employed (LTM)	30.8%	32.5%	33.9%	33.8%	33.2%
Net Debt to EBITDA (LTM) [9]	0.46	0.45	0.38	0.33	0.37
Assets Turnover ratio (LTM)	106.2%	107.7%	108.6%	110.8%	115.4%
Interest Coverage ratio (times)	45.84	40.54	44.46	43.97	37.46
Book Value Per Equity Share (in Rs)	160.1	148.2	136.6	125.6	114.4
Net debt to Stockholders' Equity (Times) [9]	0.23	0.23	0.20	0.17	0.19
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	11.81	11.39	10.79	10.68	9.78
Net profit/(loss) per diluted share (in Rs)	11.81	11.38	10.79	10.67	9.76
Market Capitalization (Rs. bn)	1,188	1,357	1,490	1,370	1,568
Enterprise Value (Rs. bn)	1,253	1,422	1,541	1,411	1,610

Note 9: Net Debt to EBITDA (LTM) for the period amounts to 0.25 times and Net Debt to Stockholders Equity amounts to 0.12 exclusive of fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures.

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:

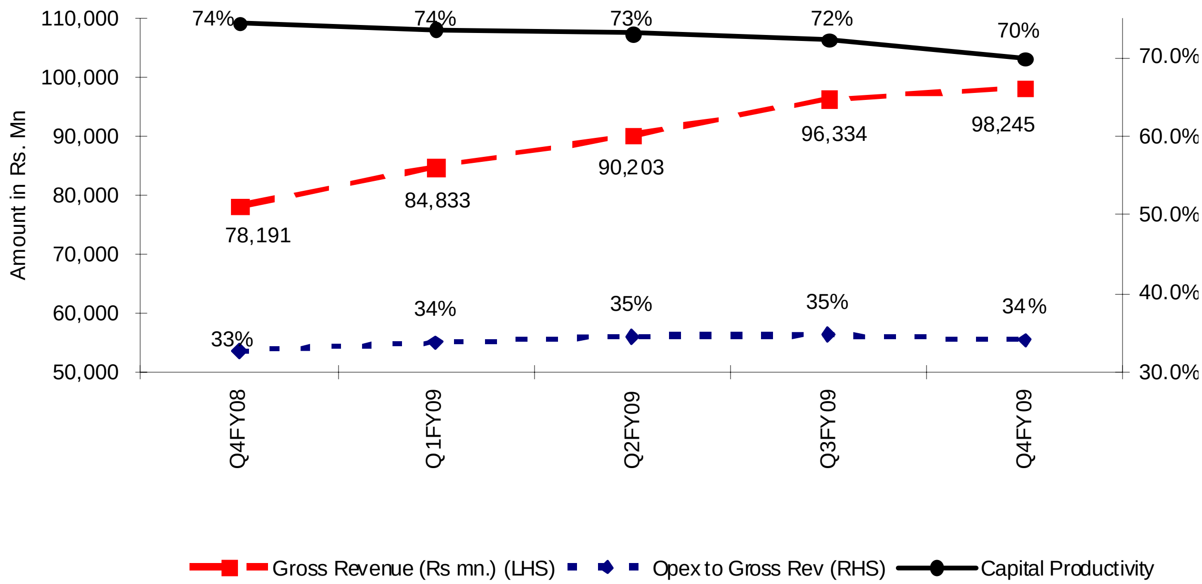
1. Gross Revenues i.e. absolute turnover/sales

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, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008
Consolidated						
Customers	000's	96,649	88,270	79,989	71,777	64,268
Employees	No.	24,538	25,553	25,616	26,144	25,543
Mobile services						
Customers	000's	93,923	85,651	77,479	69,384	61,985
Pre-paid customers as a % of total customers	%	94.2%	93.5%	92.9%	92.3%	91.6%
Post-paid customers as a % of total customers	%	5.8%	6.5%	7.1%	7.7%	8.4%
Bharti's mobile subscribers market share[10]	%	24.0%	24.7%	24.6%	24.2%	23.7%
Average Revenue Per User (ARPU)	Rs.	305	324	331	350	357
Average Minutes of Use Per User	Minutes	485	505	526	534	507
Post-paid Voluntary Churn	%	1.2%	1.1%	1.1%	1.0%	1.0%
Post-paid Company Initiated Churn	%	1.4%	1.2%	1.4%	1.4%	1.5%
Pre-paid Churn	%	3.2%	2.9%	3.2%	3.8%	4.3%
SMS Revenue as a % of Total Mobile Revenues	%	3.7%	4.1%	4.3%	4.2%	4.4%
Employees	No.	7,832	8,115	8,133	8,534	8,452
Telemedia Services						
Customers	000's	2,726	2,619	2,509	2,394	2,283
Average Revenue Per User (ARPU)	Rs.	1,071	1,098	1,147	1,138	1,137
Employees	No.	10,022	10,827	11,214	11,489	12,242
Enterprise Services Consolidated						
Employees	No.	3,646	3,701	3,686	3,749	3,828
Others						
Employees	No.	2,418	2,330	2,233	2,132	725
Passive Infrastructure Services						
Employees [11]	No.	620	580	350	240	296

Note 10: All India mobile subscribers based on report published by TRAI.
Note 11: Employee numbers pertain to Bharti Infratel only.

A.2.5 Traffic, Coverage and Network Trends

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008
Mobile Services	Mn Min	130,669	123,626	115,834	105,217	89,058
Telemedia Services	Mn Min	4,737	4,750	5,002	4,842	4,736
National Long Distance Services	Mn Min	11,690	11,609	11,349	10,322	9,398
International Long Distance Services	Mn Min	2,772	2,603	2,284	2,048	1,850
Total Minutes on Network [12]	**Mn Min**	**149,867**	**142,588**	**134,470**	**122,428**	**105,042**

Note 12 : The minutes are gross of intersegment eliminations

Parameters	Unit	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008
Mobile Services						
Census Towns	No.	5,060	5,057	5,050	5,048	5,023
Non-Census Towns and Villages	No.	414,906	401,882	384,521	364,287	342,623
Population Coverage	%	81%	79%	77%	74%	71%
Network Sites	No.	93,368	88,319	82,554	75,876	69,141
Telemedia Services						
Cities covered	No.	95	95	95	94	94
Carriers (National Long Distance)						
Optic Fibre Network	RKms	101,337	90,205	83,389	78,540	73,787

A.2.6 Passive Infrastructure Services

A.2.6.1 Bharti Infratel

Parameters	Unit	March 31, 2009 [13]	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008
Total Towers	No.	27,548	61,355	59,966	58,013	53,083
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs.	33,586	31,488	32,177	31,893	30,017
Sharing Factor	Times	1.34	1.34	1.26	1.22	1.22

Note 13: Total towers is 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, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008
Total Towers [14]	No.	95,154	-	-	-	-
Key Indicators						
Sharing Factor	Times	1.48	-	-	-	-

Note 14: 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 goodwill impairment test under FAS 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 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 FAS 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.

FAS No. 133, ''Accounting for Derivative Instruments and Hedging Activities'', 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 FAS 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 service carriers 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. 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, 2009	Year Ended March 31, 2009
	Audited	Audited
Service Revenue	102,299	372,328
Sales of Goods	252	1,193
Total Income	**102,551**	**373,521**
Profit before Finance Expenses /(Income) (Net), Depreciation, Amortization, Pre-operative Expenditure,Charity and Donation, Taxation and Other Income	**41,159**	**152,858**
Finance expenses (net)	3,987	18,613
Depreciation and Amortization	13,246	46,728
Amortisation	771	2,911
Other Income	405	1,524
Charity and Donation	56	220
Profit Before tax	**23,504**	**85,910**
Tax Expenses/ (Income)		
-Current Tax	3,012	8,082
-Fringe Benefit Tax	64	408
-Deferred Tax	(532)	(3,022)
Profit After Tax	**20,960**	**80,442**
Minority Interest	483	1,852
Profit for the period	**20,477**	**78,590**

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, 2009	Year Ended March 31, 2009
Net profit / (loss) as per US GAAP	**22,393**	**84,699**
Add: Differences on account of:		
Minority Interest and loss of Joint Venture	63	(104)
Being difference in revenue recognition	29	(104)
Remeasurement of financial instruments not applicable in IGAAP	120	(82)
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	37	252
Less: Differences on account of:		
Deferred Tax expense	456	(1,178)
Amortization of Goodwill/ Intangibles	198	800
License fee amortization	145	583
Differences in accounting for finance charges	1,366	5,866
Net profit/(loss) as per Indian GAAP	**20,477**	**78,590**

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.
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 and taxation for the relevant period. It is equivalent to Income/ (loss) before interest income, interest expense and taxes.
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 March 31, 2009 multiplied by closing market price (BSE) as at end of March 31, 2009.
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	MPLS stands for Multi Protocol Label Switching network created on SDH platform. It simplifies the configuration and management of larger networks as point to point connections are not required.
Network Site	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not a US GAAP measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, restricted cash, restricted cash non-current, short-term investments and investments as at the end of the relevant period.
Net Debt to EBITDA	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to Stockholder's Equity	It is computed by dividing net debt as at the end of the relevant period by stockholder's equity as at the end of the relevant period.
Net Revenues	It is not a US GAAP measure and is defined as total revenues adjusted for access charges for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as a % of consolidated revenue	It is computed by dividing the total non-voice revenue of the company (consolidated) by the total revenues for the relevant period. Non-voice revenues include VAS Revenues for Mobile, VAS and Internet Revenues for Telemedia Services, Bandwidth Revenue for Long Distance Services, and Bandwidth and Internet Revenues for Enterprise Services.
Non Voice Revenue as a % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue for mobile services includes revenues from value added services (including SMS, GPRS, MMS, Ring Back Tones etc.).
Operating Income	Operating Income is defined as total revenues less total operating expenses for the relevant period.

POI	The geographical location where two networks interconnect and exchange traffic
POP	Point of Presence. POP means a technical arrangement made by the National Long Distance Service Operator under which it can accept outgoing calls from and deliver terminating calls to the area required to be served from such Point of Presence.
Post-Paid Services	The provision of mobile services, wherein the subscribers pay for usage including airtime, rental value added services, access and interconnection charges and any other applicable charges at the end of the billing period.
Pre-Paid Services	The provision of mobile services wherein subscribers pay a fixed amount, which is valid for a certain period, for usage including airtime, value added services, access and interconnection charges and any other applicable charges prior to commencement of service.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2006, 2007, 2008 and 2009, ROCE is computed by dividing the sum of net profit and finance cost (net) for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Return On Stockholder's Equity	For the full year ended March 31, 2006, 2007, 2008 and 2009, it is computed by dividing net profit for the period by the average (of opening and closing) Stockholder's equity. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
SDH	Synchronous Digital Hierarchy. It is a standard technology for synchronous data transmission on optical media, and provide faster and less expensive network interconnection.
Sharing revenue per Sharing Operator per month	It is computed by dividing gross revenue less energy and other pass through, from Passive Infrastructure services by average sharing operators.
Sharing factor	It is computed by dividing average sharing operators by average towers
Total Towers	It is the sum of ground based towers, and roof top towers and Others.
Total Operating Expenses / Total Revenues	Total operative expenses for the relevant period divided by total revenues for the relevant period.
Total Operating Expenses	It is defined as sum of equipment costs, employee costs, network operations costs and selling, general and administrative cost for the relevant period.

Regulatory

AUSPI	Association of Unified Telecom Service Providers of India.
BSO	Basic Service Operator
BWA	Broadband Wireless Access
COAI	Cellular Operators Association of India
CMSP	Cellular Mobile Service Provider.
CMTS	Cellular Mobile Telephone Service
DHQ	District Head Quarters
DoT	Department of Telecommunications
EVDO	Evolution Data Only
ILDO	International Long Distance Operator
ISP	Internet Service Provider

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

Others (Industry)

BSE	The Stock Exchange, Mumbai
GSM	Global System for Mobile Communications.
IGAAP	Generally Accepted Accounting Principles in India.
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
SMS	Short Messaging Service.
US GAAP	United States Generally Accepted Accounting Principles.

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