airtel

Bharti Airtel Limited Annual Report 2010-11

Board of directors

Sunil Bharti Mittal

Akhil Gupta

Chua Sock Koong

N. Kumar

Ajay Lal

Craig Ehrlich

Pulak Prasad

Rakesh Bharti Mittal

Tan Yong Choo

Evan Mervyn Davies

Rajan Bharti Mittal

Hui Weng Cheong

Nikesh Arora

Salim Ahmed Salim

Tsun-yan Hsieh

Manoj Kohli

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Corporate information

Board of directors

Mr. Sunil Bharti Mittal
Chairman & Managing Director

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

Non-executive directors

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

CEO (India & South Asia)
Mr. Sanjay Kapoor

Group General Counsel & Company Secretary
Ms. Vijaya Sampath

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

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

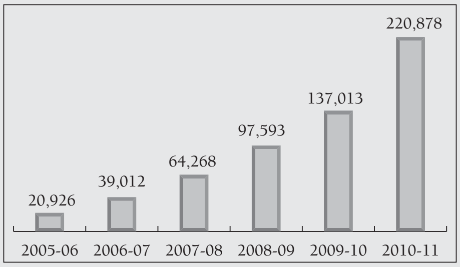
Registered & Corporate Office
Bharti Airtel Limited,
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi – 110 070,
India

Website
http://www.airtel.com

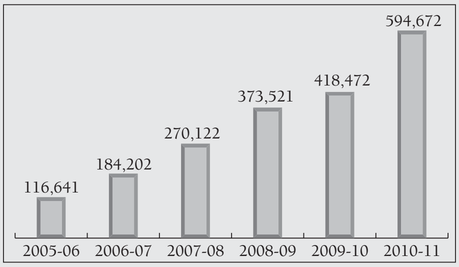
Performance at a glance

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

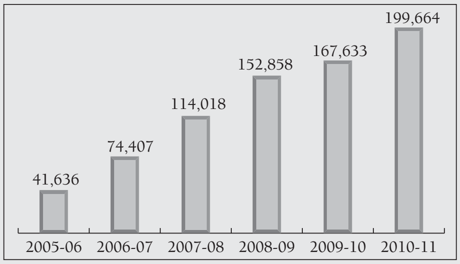
Financial information for years ending till March 31, 2009 is based on Indian GAAP and for years ending March 31, 2010 & 2011 is based on IFRS.
*During the financial year 2009-10, the Company has sub-divided (share split) its 1 equity share of ₹ 10 each into 2 equity shares of ₹ 5 each. Thus previous year's figures have been restated accordingly.



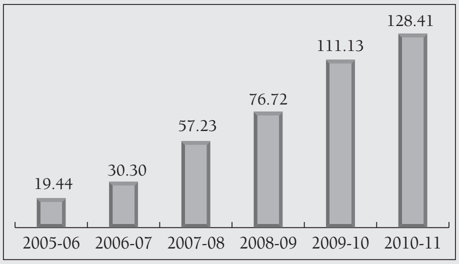
Customer base (Nos. '000)



Revenues (₹ Million)



EBITDA (₹ Million)



Book value per equity share* (₹)

Chairman's message

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

Sunil Bharti Mittal

Dear Shareholders,

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

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

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

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

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

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

India will continue to be the leading market in our portfolio. Its inherent growth and our continued leadership will keep contributing substantially to our global stature in the years to come. Hyper competition in the market with 12-13 players, many of whom happened to be new entrants, is clearly abating. Some semblance of sanity is being restored and consolidation is imminent. Tariffs have stabilised ensuring return of reasonable growth for us. Although a fair amount of regulatory uncertainty still pervades the air with regard to allocation and pricing of 2G spectrum, the principal stakeholders appear to be heading towards some sort of a consensus on key issues. It is our profound hope that the next round of policy making will ensure a sustainable growth path and a fair regulatory regime.

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

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

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

Preserving our planet for our future generation is something that Airtel is deeply committed to. This was the genesis of our pioneering and game-changing introduction of shared passive services almost a decade ago. More recently, our group tower company, Bharti Infratel, pioneered a comprehensive energy management programme, the 'P7 Green Towers project'. In recognition of the leadership we continue to provide to our peers globally, Bharti Infratel received the 'Green Mobile Award' at the 2011 GSMA Annual Global Mobile Awards for the Best Green Product/Service or Performance category for this pioneering project.

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

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

Sunil Bharti Mittal
Chairman & Managing Director

CEO (International) & JMD's message

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

Manoj Kohli

Dear Shareholders,

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

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

Prospects notwithstanding, Africa presents its own set of challenges as a market. The last year has given us a clear view of the challenges of doing business in Africa. Unlike India, which is one country with several states, in Africa we have 16 different countries – all with different legal, regulatory, financial, economic and social frameworks. Managing operations in such a scenario has been an arduous task. Making it further complex are other challenges such as high operating costs, lack of infrastructure and low availability of certain resources. We are dealing with each of these challenges in a proactive manner with positive results.

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

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

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

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

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

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

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

Looking forward to 2011-12, we shall of course be focusing on strengthening our business model across the 16 OpCos. We would also be looking at leveraging the big opportunities that 3G, data, MNP and airtel money present to us. Exploited fully, they have the potential to make us truly unique to both our current and prospective customers in the market.

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

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

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

Manoj Kohli

Manoj Kohli

CEO (International) & Joint Managing Director

CEO (India & South Asia)'s message

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

Sanjay Kapoor

Dear Shareholders,

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

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

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

Fiscal 2010-11 was an eventful year for the Indian Telecom Industry. The country witnessed the maiden launch of 3G services, marking the beginning of the next phase of India's telecom growth story and Mobile Number Portability (MNP); with some semblance of rationalisation in the competitive intensity visible through the decelerated drop in tariffs. While globally MNP has not been a *game changer*, I must mention that the launch of MNP has been a big win for all the mobile customers as it allows them to choose an operator of their choice on the basis of better products and services. We are well positioned to leverage this opportunity based on our wide network presence and robust customer service delivery mechanism.

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

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

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

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

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

India is being seen as a Global Hub for Cloud Computing. The advantage of smaller, *'pay-per-use'* annuity payments for IT infrastructure, offered by this technology will drive its mass adoption in all enterprises. We made small inroads in this domain with the launch of *Net PC Plus* in partnership with *Novatium* and *Tally*, software for book keeping and stock management. In the enterprise domain, we are transforming ourselves from core carriage services to managed services model with concerted focus on new service portfolio like *Strategic Network Outsourcing*, *Network Integration* and *Hosted Services*. We have expanded our international points of presence to 13 and network coverage to over 50 countries across the globe through our new cable systems. Our global reach and comprehensive product portfolio will facilitate us to effectively service the needs of customers.

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

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

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

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

Sanjay Kapoor
CEO (India & South Asia)

Corporate social responsibility

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

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

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

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

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

THE SATYA BHARTI SCHOOL PROGRAMME

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

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

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

ADDRESSING CHALLENGES IN EDUCATION

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

A. Enhancing the Quality of Teachers

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

Refresher trainings were planned last year to teachers.

Interactive Audio Instruction Programme

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

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

B. Holistic Development of Children

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

Design for Change School Contest 2010

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

C. Community Engagement

Community concerns and needs are integrated into the programme at a very early stage. The school's activities and calendar include enough opportunity for the community to understand the programme and its ramifications and engage with it. Several contact points are arranged for teachers and field staff to discuss school activities and students' performance with the community members.

D. Measurement Tools – School Improvement Programme

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

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

PROGRAMME EXPANSION

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

A. Primary School Programme

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

B. Middle School Programme

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

C. Senior Secondary Schools

Bharti Foundation partnered with the Punjab Government under the Adarsh Scheme to launch five Government Satya Bharti Adarsh Senior Secondary Schools across three districts in Punjab. The first school under this initiative was inaugurated in April 2010 in Chogawan, in Amritsar, Punjab by Dr. Upinderjit Kaur, the Hon'ble Minister for Education, Government of Punjab.

D. Schools in Africa

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

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

ACT-A Caring Touch

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

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

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

EMPLOYEE VOLUNTEERING

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

- **Mobile Mentoring Programme**

  A Mobile Mentoring Programme was launched for all employees, their friends and family members. It aims to help Satya Bharti School teachers improve their English speaking skills through telephonic sessions with employees over a concerted period of time. Detailed scripts and evaluation parameters were provided to the volunteers to assess the impact of their support.

- **Young Leaders Programme**

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

COMMUNITY SERVICE AND SUPPORT

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

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

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

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

FARMER WELFARE

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

HEALTH, SAFETY AND ENVIRONMENT

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

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

GREEN INITIATIVES

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

A. **Green Shelter for BTSs**

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

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

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

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

C. **Green Tower P7 Programme**

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

D. **Managed Energy Services**

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

E. **E-Waste Management**

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

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

F. **Other Energy Reducing Initiatives**

A number of initiatives were launched in our offices and in other technical facilities last year to reduce energy consumption in lighting and air conditioning. A Solar Hot Water Generator was installed at the Airtel Campus to fulfil hot water requirement in the cafeteria. Lighting Energy Savers (LES) have also been installed across our facilities in the National Capital Region. **This has reduced our energy consumption by around 10-25%.** Variable Frequency Drives were installed in the Air Handling Unit (AHU) at Airtel Centre Campus to improve the efficiency of the cooling system by 10%. These measures have resulted in savings of **8.5 Lakh units of electricity per year**, for the Company.

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

G. **E-Bills**

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

THE CHANGING NORMS OF CORPORATE SOCIAL RESPONSIBILITY

Cyber Security

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

Certifications

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

Directors' report

Dear Shareholders,

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

OVERVIEW

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

FINANCIAL RESULTS AND RESULTS OF OPERATIONS

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

Amount in ₹ Mn

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

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

Amount in ₹ Mn

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

LIQUIDITY

The Company has suitable commercial arrangements with its creditors, healthy cash flows and sufficient standby credit lines with banks and financial institutions to meet its working capital cycles. It deploys a robust cash management system to ensure timely servicing of its liquidity obligations. The Company has also been able to arrange for adequate liquidity at an optimised cost to meet its business requirements and has minimised the amount of funds tied-up in the current assets

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

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

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

GENERAL RESERVE

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

DIVIDEND

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

SUBSIDIARY COMPANIES

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

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

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

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

ABRIDGED FINANCIAL STATEMENTS

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

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

QUALITY

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

BRANDING

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

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

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

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

MAJOR AGREEMENTS AND ALLIANCES

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

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

NEW PRODUCTS/ INITIATIVES

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

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

OTHER COMPANY DEVELOPMENTS

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

AWARDS AND RECOGNITIONS

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

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

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

CAPITAL MARKET RATINGS

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

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

SHARE CAPITAL

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with the provisions of various corporate laws, the regulations and guidelines issued by the Securities and Exchange Board of India and other statutory authorities, the Company has voluntarily started a practice of secretarial audit from a practicing company secretary.

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

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

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

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

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

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

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

FIXED DEPOSITS

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

AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, retires at the conclusion of the ensuing annual general meeting of the Company and have confirmed their willingness and eligibility for re-appointment and have also confirmed that their re-appointment, if made, will be within the limits stipulated under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment for the next term.

AUDITORS' REPORT

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

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

EMPLOYEES STOCK OPTION PLAN

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

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

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

Disclosure in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are provided in annexure C to this report.

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

I. The applicable accounting standards have been followed along with proper explanation relating to material departures, in the preparation of the annual accounts for the year ended March 31, 2011;

II. They have selected and applied consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;

III. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. They have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : New Delhi
Date : May 5, 2011

Sunil Bharti Mittal
Chairman & Managing Director

Annexure A

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Bharti Airtel Limited

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

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

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

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 5, 2011

Annexure B

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

International Long Distance Business

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

International Calling Card Services

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

Telecom Services in other countries

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

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

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

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

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earning ₹ 18,156 Mn

(b) Total Foreign Exchange Outgo ₹ 37,870 Mn

Annexure C

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

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

Notes:

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

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

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

Annexure D

Statement of particulars under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended March 31, 2011 and forming part of the Directors' Report

Sl. No.	Name	Designation	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/Designation
(A)	EMPLOYED THROUGHOUT THE FINANCIAL YEAR								
1	A M Rai	Sr. Vice President	B.E/B.Tech	51	28-Sep-00	28	Network	7,326,758	Fibcom/Project Lead
2	Abhay Savargaonkar	Sr. Vice President	B.E/B.Tech	46	5-Aug-06	21	Network	10,522,864	Bharti Infotel Ltd/Chief Technology Officer
3	Abhilasha Hans	Chief Service Officer- Shared Services	MBA	46	23-Jan-07	20	Customer Service Delivery	10,309,302	Teletech Services India Limited/Sr. Vice President
4	Ajai Puri	Director - DTH	Post Graduate	51	15-May-04	30	Business Head	17,464,357	Cargill Foods India/Business Head-India Foods
5	Ajay Chitkara	Head - Global Data Business	PGDBM	40	1-May-01	17	Business Head	7,272,997	Comsat Max Limited/Area Sales Manager
6	Amrita Gangotra	Director - IT, India & South Asia	Post Graduation	46	25-Nov-02	21	Information Technology	17,250,671	HCL Comnet Ltd/Chief Information Officer
7	Anant Arora	Sr. Vice President	B.E/B.Tech	44	11-Apr-03	21	Business Head-Mobile Services Maharashtra	7,744,378	Reliance Infocomm Ltd/Head - Sales Operations
8	Anantharaman R	Sr. Vice President	Post Graduate	45	26-Sep-03	20	Business Head-Mobile Services Tamil Nadu	7,249,059	BPL Mobile Cellular Ltd/Business Head
9	Anirban Ghosh	Sr. Vice President	MBA	43	3-May-04	20	Business Head-Mobile Services West Bengal	6,269,674	Hindustan Lever Ltd./Regional Sales Manager
10	Anuj Khungar	Sr. Vice President	Post Graduate	48	28-Feb-05	23	Network	7,486,395	Reliance Infocomm Ltd/Chief Technical Officer
11	Argha Basu	Vice President	Post Graduate	43	25-Feb-08	20	Production Development & Business Solution Group	6,245,998	VSNL/Business Head-Mpls
12	Arun Sawhney	Sr. Vice President	PGDBM	46	7-Oct-09	18	Network	6,109,186	A S Consulting/V P & Head National Key Accounts
13	Aruna Pidikiti	Vice President	Post Graduate	41	21-Dec-00	20	Network	7,032,957	STPI/Deputy Director (Technical)
14	Ashish Arora	Sr. Vice President	MBA	42	3-Apr-07	16	Sales	7,535,099	Sify Ltd/National Sales Head
15	Atul Bindal	President - Mobile Services	B.E (Mech), MBA	50	23-Jun-03	25	Business Head	28,079,656	DHL International/Communication Director Asia Pacific
16	Deepak Khanna	Director - Airtel Business Services	MBA	48	2-Mar-04	26	Business Head	13,236,534	Cybiz Technology Ltd/Director
17	Deepak Mehrotra	Operations Director - West Hub	B.E & MBA	47	31-Oct-03	21	Business Head	19,888,407	Hindustan Coca-Cola Beverages (P) Ltd./Reg. Vice President
18	Deven Khanna	Corporate Director - Finance	B.Com, CA	51	1-Sep-04	21	Finance	15,352,814	Triveni Engineering Industries Ltd./VP-Corp Finance & Planning
19	Dhruv Bhagat	Sr. Vice President	PGDBM	41	1-Sep-06	15	Business Head-Mobile Services Karnataka	7,032,946	Hutchison Essar Ltd./Business Head
20	Dipak Roy	Head HR - Mobile Services	MBA	44	19-Jun-06	23	Human Resources	10,499,048	IBM/General Manager
21	Felix Mohan	Sr. Vice President	Post Graduate	55	9-Oct-06	31	Information Technology	9,210,515	Secure Synergy/Director
22	George Fanthome	Sr. Vice President	MBA	44	9-Jul-07	22	Information Technology	6,370,904	Genpact/Vice President
23	George Mathen	Vice President	Graduate	43	17-Nov-06	20	Business Head-Mobile Services Assam	7,837,365	Coca - Cola India/Head - Sales
24	H Cajetan Ruben Selvadoray	Vice President	Post Graduate	41	18-Jul-05	17	Human Resources	6,214,746	Motorola India Ltd./Head Learning, HR Strategy And OD
25	Harjeet Kohli	Sr. Vice President	MBA	38	19-Jan-09	13	Finance	7,109,124	Citigroup India/Director
26	Heera Lal Gupta	Sr. Vice President	B.E/B.Tech	44	16-Feb-99	22	Network	6,146,094	Koshika Telecom Ltd./Sr.Manager
27	Hemant Dadlani	Sr. Vice President	MBA	41	13-Jul-95	20	Business Head-Telemedia Karnataka	7,277,056	Blue Dart Express Ltd./Sales Executive
28	Inder Walia	Group Director - Human Resources	PGDBM	53	6-Aug-07	27	Human Resources	31,610,549	Arcelor Mittal/Executive Vice President, HR
29	Jayant Sood	Telemedia Head CSD	CA	47	12-Aug-09	26	Customer Service Delivery	10,222,999	American Express /Business Leader
30	Joachim Horn	Executive Director - Network Services Group	Engineering & Computer Science	51	1-Apr-09	27	Technology & Networks	33,165,983	T-Mobile/Group CTO
31	Jyoti Pawar	Director - Legal & Regulatory	Solicitor's Degree, LLB	45	18-Aug-08	19	Legal	10,090,469	GE Money/Senior VP- Legal & Compliance
32	K Srinivas	President - Telemedia Services	B.E, PGDBM	48	7-Nov-02	23	Business Head	28,513,786	Hindustan Lever Ltd./Business Manager New Ventures
33	Krish Shankar	Executive Director - Human Resources	PGDBM	48	23-Mar-07	27	Human Resources	17,809,495	Unilever Asia Africa Singapore (Hindustan Lever Ltd.)/Vice President - HR
34	Kunwar Kishore Arora	Sr. Vice President	MBA	51	18-Jun-08	26	Prod. Dev. & Business Sol. Group	7,536,431	Uca Services Inc./Uca Services Inc/Vice President
35	L Ramakrishna	Sr. Vice President	Post Graduate	47	29-Sep-00	23	Supply Chain Management	6,773,058	Alcatel Business Systems/Sr. Manager
36	Manik Jhangiani	Group Director - Finance	CPA, Bsc. Accounting & Economics	46	8-May-09	23	Finance	31,124,066	The Coca - Cola Hellenic/CFO & Strategy Development Director
37	Manish Bhatt	Vice President	PGDBM	45	11-Sep-03	25	Sales	6,056,990	BPL Mobile Ltd/Branch Head
38	Manoj Murali	Vice President	MBA	40	1-Oct-01	16	Sales	6,611,691	Crompton Greaves/Area Sales Manager
39	Manoj Paul	Sr. Vice President	B.E & MBA	43	8-Apr-02	20	Business Head-Enterprise Services	7,326,670	HCL Commet/GM Legal
40	Milan Rao	Head Global Voice	BE & MBA	41	1-Apr-03	17	Business Head	9,445,697	JM Morgan Stanley/Head Sales
41	Mohit Beotra	Head - Brand - Marketing	MBA	44	22-Mar-10	21	Marketing	7,196,342	Lowe Lintas India Limited/Executive Director
42	Munish Kanotra	Sr. Vice President	PGDBM	40	9-Oct-01	15	Marketing	7,965,597	Spice Telecommunications/Sr. Manager
43	Murali Kittu	Sr. Vice President	MBA	42	1-Jul-05	19	Business Head-Mobile Services Andhra Pradesh	7,677,144	Standard Chartered Bank/National Manager
44	N L Garg	Sr. Vice President	B.E/B.Tech	46	19-Jul-04	24	Supply Chain Management	7,704,663	Escotel Mobile Communications Ltd./Dy Manager
45	Najib Khan	CEO - Telemedia West	B.E & MBA	42	3-Jul-01	19	Business Head	8,337,925	Alcatel Business Systems/Technical Manager
46	Narender Gupta	Group Director - Corporate Affairs	B.Com, PGDBM, FCS, LLB	53	1-Feb-99	31	Corporate Secretarial & Regulatory	13,359,870	DLF Cement Ltd./Sr. Manager-Legal to GM-Legal
47	Nilanjan Roy	Chief Controller - Finance	CA	45	1-Mar-06	21	Finance	12,025,204	Unilever Nv/Plc, Usa/Finance Director

Sl. No.	Name	Designation	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/Designation
48	Pankaj Miglani	Head - Wholesale Voice	CA	41	21-Dec-01	18	Business Head	8,555,115	GE Capital Transportation Financial Services/Asst Vice President
49	Pankaj Sootha	Vice President	M.Tech/M.S	43	6-Mar-00	20	Sales	6,303,881	Glosolar Energy (India) Ltd./Technical Manager
50	Prasanta Das Sarma	CEO - Mobile Services West Bengal - Orissa	B.E & MBA	48	19-Aug-02	26	Business Head	10,675,849	HFCL/Associate Vice President
51	Puneet Garg	Vice President	B.E/B.Tech	42	30-Jan-06	19	Network	6,536,811	Lucent Technologies/Asst. Director - NOS
52	R Mahalakshmi	Sr. Vice President	MBA	38	30-Oct-08	14	Human Resources	6,242,995	Ranbaxy Laboratories Ltd./GM-HR (L & D)
53	Raghunath Mandava	Operations Director - East Hub	B.E & MBA	45	29-Sep-03	21	Business Head	10,733,770	Hindustan Lever Ltd./Operations & Marketing Manager
54	Rajiv Rajgopal	CEO - Mobile Services Tamil Nadu	MBA	44	12-Sep-07	20	Business Head	8,832,928	Castrol India Limited/VP Sales - Retail
55	Rajnish Kaul	Sr. Vice President	Graduate	43	28-Jan-03	22	Business Head-Mobile Services Madhya Pradesh & Chhatisgarh	6,940,578	Escotel Mobile Communications Ltd/Head Sales
56	Ramamurthy Kolluri	Vice President	Post Graduate	57	3-Nov-00	31	Network	6,145,795	Siemens Public Communication Networks Ltd /VP Information & Broadband
57	Ramesh Menon	CEO - Mobile Services Maharashtra	PGDBM	45	26-Oct-09	21	Business Head	8,407,007	Spencers Retail Ltd./Sr. VP- Operations
58	Ravi Kaushal	Sr. Vice President	CA	56	17-Apr-95	31	Business Head-Corporate Office	10,446,903	TCILl Bellsouth Ltd./General Manager-Finance
59	Ravindra Singh Negi	Sr. Vice President	PGDBM	39	1-Aug-00	16	Business Head-Mobile Services Uttar Pradesh Uttaranchal	7,338,610	Koshika Telecom Ltd./Product Manager - Prepaid
60	Rohit Gothi	CEO - Mobile Services Uttar Pradesh	MBA	43	17-Apr-09	20	Business Head	10,452,375	Lornamead Acquisitions, London /Country Director, India
61	Rohit Malhotra	CEO - Telemedia Karnataka	MBA	43	15-Apr-09	19	Business Head	7,858,943	Pantaloon Retail India Ltd./Head Operation-South Zone
62	S Asokan	Executive Director - Supply Chain	B.E (Mechanical), AICWA	53	7-Jun-06	26	Supply Chain Management	15,679,352	Eicher Good Earth Limited/General Manager
63	S K Sharma	Sr. Vice President	B.E/B.Tech	56	9-May-03	32	Operational Excellence & Quality	6,991,388	GE Capital/Vice President - Quality
64	S Sivaramakrishnan	Sr. Vice President	Post Graduate	59	1-Dec-03	31	Information Technology	7,007,785	Think Business Network Pvt Ltd/Vice President
65	Samit Guha	Sr. Vice President	CA	42	17-Mar-04	20	Finance	6,385,579	Philips India Limited/Factory Controller
66	Sandeep Behl	Chief Service Officer - Enterprise Services - AES INTERNET	B.E/B.Tech	48	16-Jan-07	25	Cutomer Service Delivery	9,757,378	Hewett Pakward India Ltd./Business Head
67	Sanjay Kapoor	CEO - Bharti Airtel - India & South Asia	B.Com (Hons), MBA	49	1-Mar-06	27	Business Head	53,299,760	Tele Tech Services India Ltd./President & CEO
68	Sanjay Mittal	Sr. Vice President	B.E/B.Tech	46	30-May-06	21	Prod Dev & Business Sol Group	7,258,582	Ingram Micro India Ltd./Head-Sales
69	Sanjeev Bedekar	Sr. Vice President	M.Tech/M.S	46	24-Aug-06	24	Network	7,812,926	Tata Teleservices Ltd/Vice President
70	Sanjeev Kumar	CEO - Mobile Services Delhi	CS	47	30-Jan-95	24	Business Head	8,941,804	A F Ferguson/Consultant
71	Sarvjit Singh Dhillon	Group Director CMDs Office	BA., (Hons) FCIMA, MBA	45	29-Jun-01	23	Finance	61,224,486	British Telecom/ED & CFO
72	Saurabh Goel	Sr. Vice President	Post Graduate	43	27-Jun-03	15	Business Head-Airtel Center	8,850,292	Hughes Escorts Comm. Ltd./Team Lead
73	Shamini Ramalingam	Group Director - Internal Assurance	Bachelor of Commerce, University of Melbourne	52	30-Nov-07	29	Corporate AudIt Group	14,901,258	Telstra Corporation, Australia/National Manager, Business capability & Solutions
74	Shankar Halder	Chief Technical Officer - Airtel Network Group	B.E/B.Tech	53	19-Apr-04	28	Network	20,687,018	Escotel Ltd./Chief Technical Officer
75	Sharlin Thayil	CEO - Mobile Services Andhra Pradesh	PGDBM	49	28-Dec-00	25	Business Head	7,427,623	BILT/Deputy General Manager-South
76	Shashi Arora	CEO - Mobile Services Punjab	B.E & MBA	47	1-Feb-06	21	Business Head	8,227,989	Kotak Mahindra Bank/Group Head - Marketing
77	Shiben Das	Vice President	M.Tech/M.S	43	22-Jan-01	17	Network	6,272,928	DOT/Deputy General Manager
78	Shireesh Mukund Joshi	Director - Marketing	B.Tech & PGDBM	45	19-Jan-09	21	Marketing	16,284,759	Pepsico International - China/Marketing Director
79	Shishir Mohan Kumar	CEO - Mobile Services Bihar	PGDBM	47	31-Aug-06	24	Business Head	9,052,960	Beta Healthcare International Ltd./Chief Operating Officer
80	Shivan Bhargava	Sr. Vice President	B.E & MBA	43	10-Oct-03	19	Business Head-Mobile Services Gujarat	6,516,482	Coca - Cola India/Regional Logistics & Planning Manager
81	Shrirang N Bijur	Sr. Vice President	MBA	58	12-Feb-07	37	Supply Chain Management	7,980,829	Reliance Capital Ltd./Sr. Vice President
82	Srikanth Balachandran	Executive Director - Finance	CA, B.Com	50	17-Nov-08	30	Finance	18,469,046	Hindustan Unilever Limited/Programme Leader – Global Finance
83	Sriraman Jagannathan	Business Head - M-Commerce	B.Tech & MBA	45	4-Jan-10	22	Business Head	12,803,142	Citibank/Vice President
84	Sudeep Banerjee	Sr. Vice President	MBA	42	21-Feb-05	19	Human Resources	7,729,827	Aventis/General Manager-HR
85	Sudipto Chowdhury	CEO - Mobile Services Hexacom Rajasthan	Graduate	48	16-Jun-03	25	Business Head	6,834,785	Bharti Hexaom Ltd./Vice President
86	Sukesh Jain	Sr. Vice President	B.E & MBA	44	1-Jun-00	19	Business Head-Enterprise Services	7,660,569	Procall/Sr. Manager
87	Sunil Bharti Mittal	Chairman & Managing Director	Graduate	53	1-Oct-01	25	General Management	196,087,677	Bharti Cellular Ltd./CMD
88	Surendran C	Sr. Vice President	B.E & MBA	45	4-Nov-03	23	Business Head-Telemedia Mumbai	6,369,087	Modi Xercox/Head-Outsourcing
89	Umesh Gupta	Sr. Vice President	PGDSM	43	12-Dec-06	20	Information Technology	6,098,372	Equinox Overseas Private Limited/Chief Information Officer
90	Venkatesh v	CEO - Mobile Services Karnataka	PGDBM	48	18-Jan-02	25	Business Head	11,876,670	Hll/Marketing Manager
91	Vijai Prakash Tripathi	Vice President	Post Graduate	48	15-Dec-97	23	Network	6,620,234	Optel Telecom Ltd./Project Lead
92	Vijaya Sampath	Group General Counsel & Co. Secretary	B.A., LLB, FCS	58	1-Jan-04	26	Legal	25,783,052	Ranbaxy Laboratories/VP (Legal & Secretarial)
93	Vikas Singh	Hub CEO - Telemedia Delhi	MBA	44	22-Aug-06	21	Business Head	11,035,476	Hutch India/AVP-Sales & Marketing Operations
(B)	EMPLOYED FOR PART OF THE FINANCIAL YEAR								
1	Abhay Johorey	Chief Service Officer - Mobile Services	PGDBM	47	18-Oct-10	23	Customer Service Delivery	3,442,624	Aviva Asia PTE LTD/Director Operations
2	Ajay Agrawal	Sr. Vice President	CA	55	1-Jun-06	30	Finance	2,591,940	Reliance Infocomm Ltd/Technical Lead-RA
3	Alexander Andrew Kelton	President - Enterprise Services	BSc. Electrical Engineering, Chartered Engineer (Eeng) & MIET	52	5-Jul-10	32	Business Head	19,173,659	Telstra International/Managing Director
4	Amandeep Singh	HUB Chief Technical Officer	B.E/B.Tech	41	9-May-03	20	Network	7,352,745	Spice Communications/Vice President

Sl. No.	Name	Designation	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/Designation
5	Amit Mathur	Sr. Vice President	MBA	44	2-Jul-01	22	Sales	5,185,087	Esconet (Escorts Grp. Co.)/Regional Operational Head
6	Ananda Mukerji	Group Director - Business Development	PGDBM, B.Tech	51	7-Mar-11	25	Business Development	1,491,042	Firstsource Solutions Limited/Founding Managing Director & CEO
7	Arun Das	Vice President	MBA	48	27-Nov-06	24	Sales	4,158,537	Tata/Vice President
8	Ashish D Kalay	Chief Informations Officer - B2C	MBA	47	8-Nov-10	21	Information Technology	3,037,272	Colt Telecom/Director/IT Head- India
9	Badal Bagri	Chief Controller - Finance	CA	40	24-Sep-10	11	Finance	3,558,716	Genpact/Sr. Vice President and Global Controller
10	Bhaskar Chakraborty	Chief Supply Chain Officer	PGDBM	54	19-May-97	31	Supply Chain Management	6,105,561	Fibcom India Ltd./Chief of Materials
11	Christopher Tobit	Managing Director & CEO - Warid Telecom International Ltd. Bangladesh	Graduate	47	1-Feb-99	26	Business Head	12,871,788	Collettes Group of Companies/Group Business Development Manager
12	Deepak Srivastava	Chief Executive Officer - Mobile Services West Bengal & Kolkata	B.E/B.Tech	52	13-Sep-04	28	Business Head	5,235,139	BOC Edwards/GM-South Asia & Country Manager, India
13	Elango Thambiah	Director - North	MBA	46	8-Oct-01	22	Business Head	20,721,055	Spice Communications/Vice President
14	Gayatri Varma	Chief People Officer	MBA	43	9-Aug-10	18	Human Resources	4,662,725	American Express India/VP - HR, India Middle East & Africa
15	Girish Mehta	Chief Marketing Officer - Telemedia Services	B.E & MBA	42	30-Aug-10	15	Marketing	3,592,723	Dell/Director of Consumer Marketing
16	Indeevar Krishna	Sr. Vice President	PGDBM	42	1-Nov-10	17	Customer Service Delivery	2,503,595	Citibank/Head - Branch Operations and Service, North
17	Jagbir Singh	Chief Technical Officer - Mobile Services & Transport Network Group	MBA	47	9-Nov-01	24	Technical	17,516,000	Nortel Networks, Singapore/Director - Network Systems & Solutions
18	Jai Menon	Group Director - IT	MS-Mech Engg. & PhD Mech Engg & Computer Science	47	22-Aug-02	19	Information Technology	26,508,828	BellSouth Corporation/Corporate Officer and Executive Vice President
19	Manoj Kohli	CEO (International) & Joint Managing Director	B.Com, LLB, MBA	52	26-Oct-02	31	Business Head	42,420,280	Escotel Mobile Communications Ltd./Executive Director & CEO
20	Mehul K Shah	Chief Architecture & Planning - IT & Innovation	MS in Computer, BS (Engg)	45	13-Dec-06	20	Information Technology	3,479,487	Verizon Communications Irving TX/Technical Manager-Strategic Architecture Platforms
21	N Arjun	Director - Projects	B.Com, MBA & PG Diploma in International Trade	54	17-Jan-83	30	Business Head	11,784,166	Bharti Tele-Ventures Ltd./Chief Operating Officer
22	Nils Rix	Head - Strategy - Architecture & Engineering	Doctorate (Applied Physics)	48	8-Sep-10	28	Network	6,245,840	Ericsson Inc., North America/VP Networks & VP Strategy & Marketing, CTO
23	Rahul Gupta	Chief Customer Service Officer	CA	46	1-Dec-06	23	Customer Service Delivery	6,836,311	GE Capital Business Process Mgmt Service Ltd./Vice President
24	Rajan Swaroop	Executive Director - NSBU	B.E & MBA	54	15-Nov-04	28	Business Head	8,303,463	Escotel Mobile Comunications Ltd./CEO and Executive Director
25	Rajnish Singh Baweja	Financial Controller	CA	42	26-Sep-01	17	Finance	6,922,730	Spice Communications Ltd/AGM-Finance
26	Rupinder Goel	Chief Informations Officer - Enterprise Services	MBA	51	17-Jul-06	24	Information Technology	6,992,153	I Soft Ppe Ltd/CIO
27	S Ravi Kumar	Chief Supply Chain Officer Operations	B.E & MBA	51	5-Aug-10	25	Supply Chain Management	4,279,388	Samsonite Singapore Pte Ltd/Vice President - Southeast Asia
28	Saleem Mobhani	Sr. Vice President	B.E	40	3-Aug-09	11	Business Head-Mobility	4,020,311	Hungama Digital Media Entertainment Pvt. Ltd./Chief Operation Office
29	Sam Elangalloor	CEO - Telemedia West	PGDBM	47	2-Feb-04	21	Business Head	4,359,847	Zee Telefilms/Vice President - Sales & Mktg.
30	Sanjay Berry	Vice President	CA	42	2-Apr-07	17	Finance	4,143,111	Patni Computers/VP - Finance
31	Sanjay Jain	Vice President	CA	47	13-Aug-98	18	Finance	4,543,771	Continental Float Glass/Manager
32	Shailesh A Kantak	Sr. Vice President	MBA	45	12-Jan-06	18	Business Head-B&TS Mumbai	4,103,323	BPL Mobile Ltd/Chief Operating Officer
33	Shyam Prabhakar Mardikar	Sr. Vice President	B.E	41	20-Sep-01	17	Network	7,155,005	C-Dot/Research Engineer
34	Subir Jana	Vice President	B.E & MBA	44	16-Apr-07	18	Supply Chain Management	4,997,455	Tata Autocomp Limited/General Manager
35	Sukhjit Singh Pasricha	Sr. Vice President	MBA	39	7-Mar-07	17	Human Resources	3,444,213	Pepsi/Vice President - HR
36	Sundaresan A S	Head - Sales & Distribution	Post Graduate	47	2-Jul-10	23	Marketing	5,578,399	Asian Paints Limited/General Manager Sales
37	Sunil Colaso	Sr. Vice President	MBA	45	1-Oct-02	18	Business Head-MO Maharashtra	1,092,369	Max Healthcare/Dy. General Manager - Marketing
38	Sunil K Goyal	Project Management - DTH	ICWA	44	1-Jun-10	21	Business Head	1,870,793	Beetel Teletech Limited/CEO
39	Vineet Taneja	Operations Director - South Hub	B.E & MBA	47	17-May-10	23	Business Head	8,724,679	Nokia India/Head of Marketing
40	Vishal Gupta	Vice President	B.E & MBA	42	12-Jul-99	20	Supply Chain Management	2,821,777	Birla AT&T Communication/Assistant Manager
41	Vishal Sehgal	Sr. Vice President	B.E & MBA	43	14-Jul-05	22	Business Head-MO Hexacom Rajasthan	2,334,635	Reliance Infocomm Ltd/Head-Cluster Sales & Operations & Business Head Post Paid Business

Notes:

1. Gross remuneration comprises of salary, allowances, Company's contribution to provident fund and taxable value of perquisites
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 6,000,000 per annum
   For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 5,00,000 per month
3. None of the employees mentioned above is a relative of any director of the Company
4. None of the employees mentioned above hold 2% or more share capital of the Company
5. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above statement is not a Board position except that of Mr.Sunil Bharti Mittal
6. There are no specific terms and conditions for employment
7. Nature of employment for all the employees is permanent except for Mr. Sunil Bharti Mittal which is contractual

Management discussion & analysis

ECONOMIC OVERVIEW

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

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

INDIAN TELECOM SECTOR

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

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

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

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

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

AFRICAN TELECOM SECTOR

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

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

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

RECENT DEVELOPMENT IN REGULATIONS

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

- **3G & BWA Auction**

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

- **Mobile Number Portability (MNP)**

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

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

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

- **Subscriber Verification**

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

  On November 18, 2010, DoT clarified that subscriber verification on non-compliant cases referred from lawful security agencies, complaints, cases discovered during investigations of bulk cases, etc. may be separately investigated/ audited and will not be combined with the monthly sample Customer Acquisition Forms (CAF) audit for the purpose of calculating overall percentage compliance. The imposition of penalty on such cases will be applicable as per the graded penalty prescribed by DoT for monthly audits ranging from ₹ 1,000 to ₹ 50,000 per subscriber.

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

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

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

- **Unsolicited Commercial Communications (UCC)**

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

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

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

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

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

OPPORTUNITIES AND THREATS

Opportunities

Untapped Landscape

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

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

New Technologies and Paradigms

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

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

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

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

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

Growing overseas

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

Strong Strategic Partnerships

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

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

Threats

Regulatory Environment

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

Increased competition

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

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

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

REVIEW OF OPERATIONS

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

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

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

FINANCIAL PERFORMANCE

Amount in ₹ Mn except ratios

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

KEY ACCOUNTING CHANGES

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

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

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

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

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

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

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

SEGMENT-WISE PERFORMANCE

Mobile Services (India and South Asia)

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

The Company had over 162 Mn mobile customers in India as on March 31, 2011, which makes it the largest wireless operator in India both in terms of customers with a customer market share of 20% and revenues with a revenue market share of 30%. The Company offers post-paid, pre-paid, roaming, internet and other value added services through its extensive sales and distribution network covering over 1.6 Mn outlets. It has its network presence in 5,113 census towns and 452,215 non-census towns and villages in India, covering approximately 86.1% of the country's population.

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

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

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

Key financial results for the year ended March 31, 2011

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

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

Mobile Services (Africa)

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

Key financial results for the year ended March 31, 2011

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

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

Telemedia Services

The Company provides broadband (DSL), data and telephone services (fixed line) in 87 cities with concerted focus on the various data solutions for the Small & Medium Business (SMB) segment. It had 3.3 Mn customers as at March 31, 2011 of which 43.1% subscribed to its broadband/internet services.

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

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

Key financial results for the year ended March 31, 2011

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

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

Enterprise Services

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

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

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

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

Key financial results for the year ended March 31, 2011

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

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

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

Digital TV Services

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

Passive Infrastructure Services

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

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

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

Key financial results for the year ended March 31, 2011

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

RISK AND CONCERNS

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

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

- **Changes in Regulatory Environment**

  Despite being a regulated and competitive sector, Indian telecom sector is maturing fast and continues to offer level playing field. Larger players control majority of market share and regulatory authorities keep consumers' interest at the forefront. Private players have driven the telecom growth in the country and Bharti Airtel has led from the front. In the process, it has created a large pool of loyal customers and talented human resource capital, in addition to a vibrant brand.

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

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

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

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

- **Increased competition; Irrational tariffs**

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

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

INTERNAL CONTROL SYSTEMS

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

The Company has taken several steps to further strengthen the internal control systems in Africa including significant improvement in the quality and frequency of various reconciliations, expansion of the scope and coverage of revenue assurance checks, segregation of duties, self-validation checks at the operating company level, training and educating key personnel on internal control aspects, IT security improvements, etc. with regard to Oracle ERP systems, the Company has implemented Oracle in Bangladesh and has commenced implementation in Africa with added features for better internal controls on purchase-to-pay, fixed assets capitalisation and inventory control processes.

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

HUMAN RESOURCES AND GLOBAL INTEGRATION INITIATIVES

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

Airtel India and South Asia

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

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

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

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

Africa

Appreciation of people challenges and integrating people to the *airtel* way remained a key thrust area during the year in Africa. Africa Leadership Conclave in Kampala, Uganda in June 2010, involving 130 senior leaders from the 16 African operations was the first serious initiative on this score. The highlight of the Conclave was a joint visioning exercise to develop the vision for Airtel Africa 2015 - *"To be the most loved brand in the daily lives of Africans"*.

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

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

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

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

OUTLOOK

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

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

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

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

Cautionary Statement

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

Report on corporate governance

GOVERNANCE PHILOSOPHY

Good Corporate Governance practices are characterised by a firm commitment and adoption of ethical practices by an organisation in all its dealing with a wide group of stakeholders. Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organisation.

With the increasing complexity in business of organisations, sound governance practices are indispensible to build and sustain trust in all its stakeholders. The recent global phenomenon like the financial melt down, mega corporate failures and frauds have heightened the corporate governance practices and the need for transparency and strong business ethics.

Good corporate governance practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

Governance practices may vary from country to country but the principles are generic and universal - viz. the commitment of the Board in managing business ethically and in a transparent manner with the profit objective balanced by long-term value equitably for all stakeholders.

Beside the mandatory clause 49 of the stock exchange listing agreement, the Ministry of Corporate Affairs has also published detailed voluntary governance guidelines that inter alia contains provisions relating to the role and responsibilities of the Board, disclosure of information to shareholders and auditors' tenure.

At Bharti Airtel, corporate governance practices are based on the following broad principles with the objective of adhering the highest standard of governance through continuous evaluation and benchmarking.

- Well-experienced and diverse Board of directors, with expertise across global finance, telecommunication, banking, administrative services and consulting;
- Adoption of transparent procedures and practices;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of policy on tenure of directors, rotation of auditors and a code of conduct for directors and senior management;
- Creation of various committees for audit, senior management compensation HR policy, employee stock option plans and investor grievance;
- Ensuring complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategy;
- Informal meeting of independent directors without the presence of any non-independent/executive directors to identify areas where they need more clarity or information, and then put them before the Board or management;
- A formal induction schedule for new Board members that enables them to meet individually with the senior management team;
- Reviewing regularly and establishing effective meeting practices that encourage active participation and contribution from all members;
- Independence of directors in reviewing and approving corporate strategy, major business plans and activities as well as senior management appointments;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organisation.

CORPORATE GOVERNANCE RATING

In 2011, CRISIL has reviewed corporate governance practices adopted by the Company and has re-affirmed its Governance and Value Creation (GVC) rating viz. “CRISIL GVC Level 1”. The rating indicates that Bharti Airtel’s capability with respect to corporate governance and value creation for all its stakeholders is the ‘highest’. We acknowledge that standards are a constantly upwardly moving target, and we aim to establish and benchmark ourselves with the best of companies in India and overseas to ensure that we continue to maintain the highest rating for our practices.

GOVERNANCE STRUCTURE

Building a culture of integrity in today's complex business environment demands high standards in every area of operation. Bharti Airtel’s commitment to total compliance is backed by an independent and fully informed Board and comprehensive processes and policies to enable transparency in our functioning. The organisation structure is headed by the Group Chairman & Managing Director, supported by the CEO (International) & Joint Managing Director and CEO (India & South Asia). The CEO (International) & Joint Managing Director is responsible for the international operations of the Company. CEO (India & South Asia) has a direct responsibility for operations of the Company in India and South Asia region. There is a clear demarcation of duties and responsibilities amongst the three positions:

- The Group Chairman and Managing Director is responsible for providing strategic direction, leadership and governance, leading transformational initiatives, international strategic alliances besides effective management of the Company with a focus on enhancing Bharti’s global image;
- The CEO (International) and Joint Managing Director is based in Nairobi, Kenya and responsible for the overall business performance, management and expansion of the international operations. He is also responsible for employee engagement, customer satisfaction, outsourcing initiatives and the internal control metrics for the international operations;
- The CEO (India & South Asia) heads the India and South Asia operations and is responsible for overall business performance in this region. He is also responsible for employee engagement, customer satisfaction, ensuring success of outsourcing initiatives and improvements in the internal control metrics for India and South Asia operations.

Our Company's business is structured into four Business Units (BUs) i.e. Mobile Services, Telemedia Services, Enterprise Services and Digital TV Services, each headed by a business president.

The corporate governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic supervision and direction – by the Board of directors, which exercises independent judgement in overseeing management performance on behalf of the shareowners and other stakeholders and hence plays a vital role in the oversight and management of the Company;

b) Control and implementation – by the Airtel Management Board (AMB). The CEOs, the presidents and the functional directors are members of the Airtel Management Board. The AMB meets monthly and takes decisions relating to the One Airtel business strategy and looks at achieving operational synergies across business units. The team owns and drives company-wide processes, systems and policies. AMB also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;

c) Operations management – by the *Management Boards* of the various Business Units assisted by their respective Hub or Circle Executive Committees (ECs) for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the respective businesses; and

d) One Airtel Councils viz. Shared Services Governance Council, Executive Finance Council, Brand Council, Customer Experience Council and Risk Committee.

   Shared Service Governance Council governs the effectiveness of the shared services support to all the business units of the Company, thus ensuring realisation of synergies across various shared services. Executive Finance Council reviews the financial performance of the Company on a monthly basis and approves the financial plans and forecasts. Brand Council drives the Brand airtel Strategy of the Company and reviews the brand health scores on a periodic basis. Customer Experience Council reviews end to end customer service delivery ensuring superior and uniform customer experience across lines of business. Risk Committee monitors the effectiveness of the risk management process and reviews and approves the risk mitigation strategies of the Company.

Our governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities, thus enabling them to perform those responsibilities in the most effective manner. It also allows us to maintain our focus on the organisational DNA and current and future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

BOARD OF DIRECTORS

Composition of the Board

The Company's Board is an optimum mix of executive, non-executive and independent directors constituted in conformity with the provisions of the listing agreement, FDI guidelines, terms of the shareholders' agreement and other statutory provisions. The Board comprises of sixteen members with an executive Chairman & Managing Director and CEO (International) & Joint Managing Director, beside six non-executive and eight non-executive independent directors. Three of the Board members including Chairman & Managing Director are founder members.

Detailed profile of each of the directors is available on the website of the Company at www.airtel.com in the Investor Relations section.

The members of our Board are from diverse backgrounds with skills and experience in critical areas like technology, finance, entrepreneurship and general management. Many of them have worked extensively in senior management positions in global corporations and others are industrialists of repute with a deep understanding of the Indian business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

As per the Company's governance policy, the selection of a new board member is the responsibility of the entire Board and all the appointments have been unanimous. The appointment of such directors is also approved by the shareholders at the annual general meeting. While the non-independent directors/shareholders' representative directors are nominated by the respective shareholders, independent directors are selected from diverse academic, professional or technical business background depending upon the business need.

Independent Directors

Clause 49 of the listing agreement with the stock exchanges requires every listed company to have the requisite number of independent directors on its Board and also sets out various criteria for a person to be eligible for appointment as an independent director. We have adopted a comprehensive policy on independent directors that sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The Policy emphasises on the importance of independence and states that an independent director shall not have any kind of relationship with the Company that could influence such directors' position as an independent director. As per the policy:

a) The independent director must meet the baseline definition and criteria on "independence" as set out in clause 49 of the listing agreement and other regulations, as amended from time to time;

b) The independent director must not be disqualified from being appointed as director in terms of Section 274 and other applicable provisions of the Companies Act, 1956;

c) The minimum age is 25 years and the maximum is 70 years;

d) An independent director will be appointed on at least one committee but not more than two committees of the Board;

e) As a general principle, the independent directors are recommended not to be on the Board of more than six public listed companies;

f) The recommended tenure is three terms of three years each. However, keeping in mind the need to maintain continuity and cohesiveness, it is envisaged that not more than two directors will retire in a financial year and if more than two changes are required within a year because of retirement or resignation, the Board may, in its discretion limit the number of directors retiring during the year. In such case, the senior-most in age will retire first and the remaining director(s) will retire in the following year.

g) If the retirement of any director pursuant to policy is close to the date of the annual general meeting, such director will retire at the AGM.

h) As per the policy, tenure of independent directors on the Board committees is as under:

   - Tenure for the chairmanship of the Audit Committee is three terms of three years each;
   - Tenure for the chairmanship of the HR Committee is two terms of two years each;
   - The tenure of lead independent director shall be two terms of two years each.

i) At the time of appointment and thereafter every year in April, the independent directors submit a self-declaration confirming their independence and compliance with various eligibility criteria laid down by the Company among other things. In addition, the Company also ensures that the directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Role and Responsibility of Independent Directors

- To provide entrepreneurial leadership within a framework of prudent and effective controls;
- To evaluate and review the management's strategic, financial and business plans;
- To review and note the Company's risk management framework and its adequacy as well as regular update on the effectiveness of implementation;
- To monitor corporate performance against shared plans including the adequacy of resources (human and financial) to meet the objectives;
- To help ensure ethical behaviour and compliance with laws and regulations, accounting and auditing principles and the Company's own governance documents;
- To perform other functions prescribed by any law or regulation or assigned to the Board in the Company's organisational documents.

Lead Independent Director

The Company has been following a practice of appointing a lead independent director for a long time. The Ministry of Corporate Affairs through the Corporate Governance Voluntary Guidelines also recommends the appointment of a lead independent director.

In addition to the roles and responsibilities of an independent director, our lead independent director:

- Presides over all deliberation sessions of the independent directors;
- Provides objective feedback of the independent directors as a group to the Board on various matters including agenda and other matters relating to the Company;
- Undertakes such other assignments as may be requested by the Board from time to time.

Mr. N. Kumar has been designated as the lead independent director.

Meeting of Independent Directors

All independent directors meet separately prior to the commencement of every Board meeting and once a year with the statutory and internal auditors, without the presence of any non-independent director or representatives of management to discuss and form an independent opinion on the agenda items and other board related matters.

Board Meeting Schedules and Agenda

The calendar for the Board and committee meetings as well as major items of the agenda is fixed in advance for the whole year. The calendar for the Board meeting in which financial results will be considered in the ensuing year are fixed in advance as a practice and have also been disclosed later in the report and have also been uploaded on the website of the Company. Board meetings are generally held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 4 months. In case of urgent necessity additional board meetings are called. Meetings are generally held at the registered office of the Company in New Delhi.

The Audit, HR and ESOP compensation committee meetings are held on the same dates as board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Group General Counsel & Company Secretary, in consultation with the Chairman, prepares the agenda of the Board and committee meetings. The detailed agenda along with explanatory notes and annexures, as applicable, are sent to the Board members well in advance at least a week before the meetings. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item'. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

As a process prior to each board meeting, proposals are invited from independent directors for discussion/deliberation at the meeting(s) and these are included in the agenda of the meeting.

Group CFO, CEO (India & South Asia) and other senior management members are invited to the board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments/functions are also invited at regular intervals to present updates on their core area.

Number of Board meetings

During the financial year 2010-11, the Board met four times i.e. on April 27-28, 2010, August 10-11, 2010, November 9-10, 2010, and February 1-2, 2011. Requisite information as per the requirements of clause 49 of the listing agreement is provided in the following table:

Name of director	Director Identi-fication Number	Category	Number of directorships[1] and committee[2] memberships and chairmanships			No. of board meetings attended (total held)	Whether attended last AGM
			Director-ships	Chairman-ships	Member-ships		
Mr. Sunil Bharti Mittal	00042491	Executive director – Promoter	4	1	-	4 (4)	Yes
Mr. Manoj Kumar Kohli	00162071	Executive director	3	1	1	4 (4)	Yes
Mr. Akhil Kumar Gupta	00028728	Non-executive director	9	4	3	4 (4)	Yes
Ms. Chua Sock Koong[3]	00047851	Non-executive director	2	Nil	Nil	4 (4)	No
Mr. Hui Weng Cheong[4]	03269291	Non-executive director	2	Nil	Nil	2 (2)	N.A.
Mr. Lim Chuan Poh[5]	02910674	Non-executive director	N.A.	N.A.	N.A.	2 (2)	No
Mr. Rajan Bharti Mittal	00028016	Non-executive director – promoter	5	2	4	3 (4)	Yes
Mr. Rakesh Bharti Mittal	00042494	Non-executive director – promoter	9	Nil	5	4 (4)	Yes
Ms. Tan Yong Choo	02910529	Non-executive director	2	Nil	2	4 (4)	No
Mr. Ajay Lal	00030388	Independent director	3	Nil	1	3 (4)	No
Mr. Arun Bharat Ram[6]	00694766	Independent director	N.A.	N.A.	N.A.	3 (3)	No
Mr. Craig Edward Ehrlich	02612082	Independent director	1	Nil	1	3 (4)	No
Lord Evan Mervyn Davies[4]	03265571	Independent director	1	Nil	Nil	2 (2)	N.A.
Mr. Narayanan Kumar	00007848	Independent director	7	5	1	3 (4)	Yes
Mr. Nikesh Arora	02433389	Independent director	1	Nil	Nil	4 (4)	No
Mr. Pulak Chandan Prasad	00003557	Independent director	2	Nil	1	4 (4)	No
H.E. Dr. Salim Ahmed Salim[4]	03269401	Independent director	1	Nil	Nil	1 (2)	N.A.
Mr. Tsun-yan Hsieh[7]	03313649	Independent director	1	Nil	Nil	1 (2)	N.A.

1. *Directorships held by the directors, as mentioned above (i) do not include the directorships held in foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956 (ii) include directorship in the Company and private limited companies which are considered as public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956*
2. *Committees considered for the purpose are those prescribed under clause 49(I)(C)(ii) of the listing agreement(s) viz. audit committee and shareholders/investors grievance committee of Indian public limited companies (including private limited companies which are considered as public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956). Committee membership details provided do not include chairmanship of committees as it has been provided separately*
3. *Attended 2 meetings through alternate director, Mr. Wong Tuan Keng Alan*
4. *Mr. Hui Weng Cheong, Lord Evan Mervyn Davies and H.E. Dr. Salim Ahmed Salim were appointed as non-executive director and independent directors respectively w.e.f. September 30, 2010*
5. *Mr. Lim Chuan Poh resigned w.e.f. September 30, 2010 and attended 1 meeting through alternate director, Mr. Edgar Raymond John Hardless*
6. *Mr. Arun Bharat Ram retired from the Board w.e.f. November 10, 2010*
7. *Mr. Tsun-yan Hsieh was appointed as independent director w.e.f. November 9, 2010*
8. *Except Mr. Sunil Bharti Mittal, Mr. Rakesh Bharti Mittal and Mr. Rajan Bharti Mittal, who are brothers and promoter directors, none of the directors are relatives of any other director*
9. *As on March 31, 2011, the following directors hold equity shares in the Company as detailed below:*
   - *Mr. Akhil Gupta – 2,549,384 (includes shares held jointly with his relative)*
   - *Mr. Ajay Lal – 20,000 shares*
   - *Mr. Manoj Kohli – 258,239 shares*

Information available to the Board

The Board has complete access to all the relevant information within the Company, and to all our employees. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein;
- Quarterly/annual consolidated and standalone results of the Company and its operating divisions or business segments;
- Minutes of meetings of the Board and board committees, resolutions passed by circulation and board minutes of the subsidiary companies;
- Information on recruitment/remuneration of senior officers just below board level;
- Material important show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Details of any acquisition, joint venture or collaboration agreement;
- Transactions involving substantial payment towards goodwill, brand equity or intellectual property;
- Human resource updates and strategies;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly treasury reports including details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Quarterly compliance certificates with the 'Exceptions Reports' which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service;
- Disclosures received from directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions;
- Regular business updates;
- Update on Corporate Social Responsibility activities;
- Significant transactions and arrangements by subsidiary companies;
- Report on action taken on last board meeting decisions.

Remuneration policy for directors

The remuneration of executive directors, i.e. Mr. Sunil Bharti Mittal – Chairman and Managing Director and Mr. Manoj Kohli – CEO (International) & Joint Managing Director is approved by the Board of directors within the limits approved by the shareholders on the basis of the recommendation of the HR committee.

The executive directors' remuneration has two components: fixed pay and variable pay (performance linked incentive). While the fixed pay is paid to the directors on a monthly basis, the performance-linked incentive is paid on the basis of individual performance after the end of the financial year. The performance targets i.e. the key result areas (KRA), together with performance indicators for the executive directors, based on the balanced score card, are approved by the HR committee at the beginning of the year. At the end of the year, after announcement of the annual results, the HR committee evaluates the performance of each of these senior executives against the targets set and recommends the performance linked incentive for each of them to the Board for approval.

Since Mr. Manoj Kohli, Joint Managing Director, has relocated to Africa as CEO (International) and has also been appointed as managing director of Bharti Airtel International (Netherlands) B.V., a wholly-owned subsidiary of the Company, his remuneration is paid by the overseas subsidiary company with effect from February 1, 2011 instead of Bharti Airtel Limited.

With effect from April 1, 2010, the Board has adopted a revised policy for payment of commission to non-executive directors, including independent directors. As per the revised policy, in addition to the independent directors, the non-executive directors are also eligible for commission which is linked to their tenure on the Board. The executive directors are not paid any commission.

The amount of commission payable to all the non-executive directors is as follows:

Non-executive directors

- USD 50,000 per annum for directors not residing in India
- ₹ 2,500,000 per annum for directors residing in India

Independent non-executive directors

- USD 100,000 per annum for directors not residing in India
- ₹ 3,500,000 per annum for directors residing in India

Chairman of the Audit Committee is entitled to an additional sum of USD 10,000 per annum if not residing in India and ₹ 500,000 per annum if residing in India.

The commission is payable annually after the approval of the financial results for the year.

The payment of aforesaid is subject to availability of sufficient profits with an overall ceiling of 1% of net profits and is within the limits approved by the shareholders in the general meeting held on September 1, 2010.

In addition to the commission, the independent non-executive directors are also paid following sitting fees for the Board/committee meetings attended by them:

- ₹ 20,000/- for attending each meeting of the Board of directors
- ₹ 20,000/- for attending all the meetings of committee of the Board at one occasion.

Remuneration to directors

The details of the remuneration paid by the Company to all directors during the financial year 2010-2011 are as under:

(Amount in ₹)

Name of Director	Sitting Fees	Salary and allowances	Performance linked incentive	Perquisites	Commission	Total
Executive Directors						
Mr. Sunil Bharti Mittal	–	95,882,196	178,700,000	483,219	–	275,065,415
Mr. Manoj Kohli	–	27,885,739	13,200,000	–	–	41,085,739
Non-Executive Directors						
Mr. Akhil Gupta	–	–	–	–	2,500,000	2,500,000
Mr. Ajay Lal	120,000	–	–	–	3,556,100	3,676,100
Mr. Arun Bharat Ram	100,000	–	–	–	2,097,770	2,197,770
Ms. Chua Sock Koong	–	–	–	–	2,232,500	2,232,500
Mr. Craig Ehrlich	99,571	–	–	–	4,524,875	4,624,446
Lord Evan Mervyn Davies	80,000	–	–	–	2,232,500	2,312,500
Mr. Hui Weng Cheong	–	–	–	–	1,116,250	1,116,250
Mr. Lim Chuan Poh	–	–	–	–	1,116,250	1,116,250
Mr. N. Kumar	100,000	–	–	–	4,074,800	4,174,800
Mr. Nikesh Arora	139,684	–	–	–	3,366,437	3,506,122
Mr. Pulak Prasad	139,684	–	–	–	4,524,875	4,664,559
Mr. Rajan Bharti Mittal	–	–	–	–	2,500,000	2,500,000
Mr. Rakesh Bharti Mittal	–	–	–	–	2,500,000	2,500,000
H.E. Dr. Salim Ahmed Salim	40,000	–	–	–	2,232,500	2,272,500
Ms. Tan Yong Choo	–	–	–	–	2,232,500	2,232,500
Mr. Tsun-yan Hsieh	40,000	–	–	–	1,860,430	1,900,430
Mr. Mauro Sentinelli	19,571	–	–	–	59,875	79,446
Mr. Bashir Currimjee	19,571	–	–	–	59,875	79,446
Total	**898,081**	**123,767,935**	**191,900,000**	**483,219**	**42,787,537**	**359,836,773**

- *The salary and allowance includes the Company's contribution to the Provident Fund. Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included*
- *The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961. The above payments were subject to applicable laws and deduction of tax at source*
- *During the year, Mr. Manoj Kohli was granted 400,000 stock options as per the details given below:*
  - *300,000 stock option on April 1, 2010 under ESOP Scheme 2001 at a discounted exercise price of ₹ 5 per option, with differential vesting period spread over 5 years*
  - *100,000 stock option on April 1, 2010 under ESOP Scheme 2005 at a discounted exercise price of ₹ 5 per option, with differential vesting period spread over 5 years*

  The options can be converted into equity shares either in full or in tranches at any time upto 7 years from the grant date. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period

  No other director has been granted any stock option during the year
- *The Company has entered into contracts with the executive directors i.e. Mr. Sunil Bharti Mittal and Mr. Manoj Kohli each dated October 3, 2006 and August 1, 2008, respectively. These are based on the approval of the shareholders obtained though postal ballot. There are no other contracts with any other director*
- *No notice period or severance fee is payable to any director*

Code of Conduct

The Board has laid down Code of Conduct for all directors and senior management personnel of the Company, which is available on the website of the Company (www.airtel.com). The Code is applicable to all Board members and executives who directly report to the Chairman & Managing Director, CEO (International) & Joint Managing Director and CEO (India & South Asia) at senior management level. The Code is circulated annually to all the Board members and senior management and the compliance is affirmed by them annually. In addition, we also procure a quarterly confirmation of transactions entered into by the senior management with the Company.

A declaration signed by the CEO (India & South Asia) regarding affirmation of the compliance with the Code of Conduct by Board and senior management is appended as Annexure A at the end of this report.

In addition to the Code of Conduct for the Board members and senior management, the Company has also laid down a Code of Conduct for its employees. As a process an annual confirmation is also sought from all the employees.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the code. All employees are expected to confirm compliance to the code annually.

BOARD COMMITTEES

In compliance with the listing agreements (both mandatory and non-mandatory), the SEBI Regulations, and to focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The committees operate as empowered agents of the Board as per their charter/terms of reference. Constitution and charter of the board committees is available on the website of the Company at www.airtel.com and are given herein below.

Audit Committee

Audit committee comprises of six non-executive directors, four of whom are independent. The Chairman of the audit committee, Mr. N. Kumar is an independent director and has sound financial knowledge as well as many years of experience in general management. The majority of the audit committee members, including the Chairman, have accounting and financial management expertise. The composition of the audit committee meets the requirements of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

The Company Secretary is the secretary to the Committee. The CEO (International) & Joint Managing Director, CEO (India & South Asia), Group CFO, Chief Financial Officer, Group Director – Internal Assurance, statutory auditors and the internal auditors are permanent invitees. The Committee periodically invites business/ functional heads to make a brief presentation on state of internal controls, audit issues and action plans.

As recommended by the Corporate Governance Voluntary Guidelines issued by the Ministry of Corporate Affairs, the audit committee has now initiated a practice of regular meetings with the internal and external auditors separately without the presence of the management.

Key Responsibilities

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, internal auditors and the determination of their audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the directors' responsibility statement, which form part of the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Approval of all related party transactions;
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly annual financial statements before submission to the Board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, availability and deployment of resources to complete their responsibilities and the performance of the out-sourced audit activity;
- Discussion with internal auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Obtaining an update on the Risk Management Framework and the manner in which risks are being addressed;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Reviewing the functioning of the whistle blower mechanism and the nature of complaints received by the Ombudsperson;
- Approve the appointment of Chief Financial Officer;
- Review the following:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price;
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances;
  - Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the chief internal auditor;
  - The financial statements, in particular the investments, if any, made by the unlisted subsidiary companies.

Such other function, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including the listing agreement and the Companies Act, 1956.

Powers of the Audit Committee

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the assistance (including attendance) of outsiders with relevant experience and expertise, when considered necessary.

Meetings, Attendance and Composition

During the financial year 2010-11 the Committee met four times i.e. on April 27, 2010, August 10, 2010, November 9, 2010 and February 1, 2011. Time gap between any two meetings was less than four months. All the meetings were held in New Delhi.

Beside the committee meetings as above, the Committee also holds a conference call a week before every regular audit committee meeting to discuss routine internal audit issue. This provides an opportunity to the audit committee to devote more time on other significant matters in the regular audit committee meeting. During the financial year the Committee met four times through the conference call i.e. April 21, 2010, August 3, 2010, November 2, 2010 and January 25, 2011.

The composition and the attendance of members at the meetings held during the financial year 2010-11, are given below:

Member Director	Number of meetings attended (total held)	Number of conference call attended (total conducted)
Mr. N. Kumar (Chairman)	3 (4)	2 (4)
Mr. Ajay Lal	3 (4)	2 (4)
Mr. Arun Bharat Ram[1]	3 (3)	Nil (3)
Mr. Craig Ehrlich[2]	2 (2)	1 (1)
Mr. Pulak Prasad	4 (4)	2 (4)
Mr. Rakesh Bharti Mittal	4 (4)	1 (4)
Ms. Tan Yong Choo	4 (4)	4 (4)

1. *Ceased to be a member w.e.f. November 10, 2010*
2. *Appointed as a member of the committee w.e.f. November 9, 2010*

Audit Committee report for the year ended March 31, 2011

To the shareholders of Bharti Airtel Limited:

The Audit Committee is pleased to present its report for the year ended March 31, 2011:

The Committee comprises of six members of whom two-third including the Chairman are independent directors, as per the requirements of clause 49 of the listing agreement.

Responsibility for Company's internal controls and financial reporting processes lies with the management. The statutory auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the Indian GAAP (generally accepted accounting principles) and IFRS (International Financial Reporting Standards) and issuing a report thereon.

The Board has appointed two external and independent internal auditors. The internal auditors are responsible for ensuring adequacy of internal control systems and adherence to management policies and statutory requirements. The Company also has in place an internal assurance group headed by Group Director-Internal Assurance, responsible for reviewing all the operations of the Company to evaluate the risks, internal controls and governance processes. The Ombudsperson is responsible for the Whistle Blower Mechanism in the Company. The Audit Committee oversees the work of the external auditors, internal auditors, internal assurance group and ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

In this regard the Committee reports as follows:

i. The Committee has discussed with the Company's internal auditors and statutory auditors the overall scope and plan for their respective audits. The Committee also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.

ii. The management presented to the Committee, the Company's financial statements and also affirmed that the Company's financial statements had been drawn in accordance with the Indian GAAP and IFRS. Based on its review and discussions conducted with the management and the statutory auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also believes that the financial statements are true and accurate and provide sufficient information and the Company has followed an adequate financial reporting process.

iii. The Committee reviewed both abridged and unabridged version of the standalone and consolidated financial statements for the year ended March 31, 2011 along with the investments made by unlisted subsidiary companies and has recommended the same for approval of the Board.

iv. The Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company.

v. The Audit Committee has adopted a process of having separate discussions with the internal and external auditors without the presence of the management to ascertain the effectiveness of the internal audit, control environment, etc.

vi. The Committee reviewed the internal audit function and risk management systems of the Company from time to time.

vii. The Committee reviewed the report of the Ombudsperson on the functioning of the Whistle Blower mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy. The Committee believes that the Company has effective Whistle Blower mechanism and nobody has been denied access to the Committee.

viii. The Committee reviewed with the management the independence and performance of the statutory auditors and has recommended to the Board the re-appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as statutory auditors of the Company.

ix. The Committee reviewed with the management the performance of both the Internal Auditors and has recommended to the Board the re-appointment of M/s. PricewaterhouseCoopers Private Limited and M/s. ANB Consulting Company Private Limited as the internal auditors of the Company.

x. The Committee has been vested with the adequate powers to seek support and other resources from the Company and has access to the information and records. The Committee also has the authority to obtain professional advice from external sources, if required.

xi. The Audit Committee monitored and approved all related party transactions including any modification/amendment in any such transactions.

In conclusion, the Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit Committee's Charter.

Place: Gurgaon **N. Kumar**
Date: May 4, 2011 **Chairman, Audit Committee**

HR Committee

In compliance with the non-mandatory requirements of clause 49 of the listing agreement, we have a remuneration committee known as the HR committee.

The Committee comprises of six non-executive directors, of which four members, including, the Chairman are independent directors. The Company Secretary acts as the secretary of the Committee. The Group Director HR is the permanent invitee. Other senior management members are also invited to the committee meetings to present reports on the items being discussed at the meeting.

Key Responsibilities

Besides remuneration packages and other benefits of the executive directors, the HR committee also oversees the functions related to human resource matter of the Company. The key responsibilities of the HR committee include the following:

- Recruitment and retention strategies for employees;
- Employee development strategies;
- Compensation (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and performance targets for the Chairman and Managing Director, CEO (International) & Joint Managing Director and CEO (India & South Asia);
- All human resource related issues;
- Other key issues/matters as may be referred by the Board or as may be necessary in view of clause 49 of the listing agreement or any other statutory provisions.

Meetings, Attendance and Composition

During the financial year 2010-11, the Committee met four times i.e. on April 27, 2010, August 10, 2010, November 9, 2010 and February 1, 2011. The composition and the attendance of members at the meetings held during the period, are given below:

Member Director	Number of meetings attended (total held)
Lord Evan Mervyn Davies[1] (Chairman)	2 (2)
Mr. Craig Ehrlich[2]	1 (2)
Mr. Hui Weng Cheong[3]	2 (2)
Mr. Lim Chuan Poh[4]	2 (2)
Mr. Nikesh Arora	4 (4)
Mr. Rajan Bharti Mittal	3 (4)
H.E. Dr. Salim Ahmed Salim[3]	1 (2)
Mr. Tsun-yan Hsieh[3]	1 (2)

1. *Appointed as Chairman and member w.e.f. November 9, 2010*
2. *Appointed as Chairman w.e.f. April 28, 2010 and ceased to be the Chairman & member of the Committee w.e.f. November 9, 2010*
3. *Appointed as member w.e.f. November 9, 2010*
4. *Ceased to be a member w.e.f. September 30, 2010; Attended 1 meeting through alternate director, Edgar Raymond John Hardless*

ESOP Compensation Committee

The ESOP compensation committee of the Board, constituted in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, comprises of six non-executive members, four of whom are independent. The Chairman of the committee, Mr. Rajan Bharti Mittal is a non-executive director. The Company Secretary acts as the secretary of the committee. Group Director HR is the permanent invitee.

Key Responsibilities

The key responsibilities of the ESOP compensation committee include the following:

- To formulate ESOP plans and decide on future grants;
- To formulate terms and conditions on following under the present Employee Stock Option Schemes of the Company:
  - the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
  - the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - the grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;

– any other matter, which may be relevant for administration of ESOP schemes from time to time.

- To frame suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- Other key issues as may be referred by the Board.

Meetings, Attendance and Composition

During the financial year 2010-2011, the committee met four times i.e. on April 27, 2010, August 10, 2010, November 9, 2010 and February 1, 2011. The composition and the attendance of members at the meetings held during the period are given below:

Member Director	Number of meetings attended (total held)
Mr. Rajan Bharti Mittal (Chairman)	3 (4)
Mr. Craig Ehrlich[1]	1 (2)
Lord Evan Mervyn Davies[2]	2 (2)
Mr. Hui Weng Cheong[2]	2 (2)
Mr. Lim Chuan Poh[3]	2 (2)
Mr. Nikesh Arora	4 (4)
H.E. Dr. Salim Ahmed Salim[2]	1 (2)
Mr. Tsun-yan Hsieh[2]	1(2)

1. *Ceased to be a member w.e.f. November 9, 2010*
2. *Appointed as members w.e.f. November 9, 2010*
3. *Ceased to be a member w.e.f. September 30, 2010, Attended 1 meeting through alternate director Edger Raymond John Hardless*

Investors' Grievance Committee

In compliance with the listing agreement requirements and provisions of the Companies Act, 1956, the Company has constituted an Investor Grievance Committee. The Committee comprises of four members. Mr. Akhil Gupta, non-executive director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities

The key responsibilities of the Investor Grievance Committee include the following:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Redressal of shareholders and investor complaints/grievances e.g. transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.;
- Approve, register, refuse to register transfer/transmission of shares and other securities;
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company;
- Issue duplicate share /other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve the transmission of shares or other securities arising as a result of death of the sole/any one joint shareholder;
- Dematerialise or rematerialise the share certificates;
- Delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

The meetings of the Committee are generally held on monthly basis, to review and ensure that all investor grievances are redressed within a period of 7-10 days from the date of receipt of complaint. These, however, do not include complaints/requests, which are constrained by legal impediments/procedural issues.

Meetings, Attendance and Composition

During the financial year 2010-11, the Committee met eleven times i.e. on April 12, 2010, April 28, 2010, May 28, 2010, June 16, 2010, July 14, 2010, August 9, 2010, October 13, 2010, December 13, 2010, January 5, 2011, February 17, 2011 and March 31, 2011. The composition and the attendance of members at the meetings held during the financial year 2010-11, are given below:

Member Director	Number of meetings Attended (total held)
Mr. Akhil Gupta (Chairman)	11 (11)
Mr. Manoj Kohli	5 (11)
Mr. Rajan Bharti Mittal	7 (11)
Mr. Rakesh Bharti Mittal	10 (11)

Compliance Officer

Vijaya Sampath, Group General Counsel & Company Secretary, acts as Compliance Officer of the Company for complying with the requirements of the listing agreement with the Stock Exchanges and requirements of SEBI, (Prohibition of Insider Trading) Regulations, 1992.

Nature of complaints and redressal status

In order to provide an appropriate disclosure of the investor complaint, the Company has formed and adopted a policy on classification of investor communications. The Policy endeavours to differentiate between the general shareholders' communications and the complaints and has been duly approved by the Investor Grievance Committee.

During the financial year 2010-11, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares and annual reports, etc. which were resolved to the satisfaction of the shareholders. Details of the investors' complaints as on March 31, 2011 are as follows:

Type of complaint	Number	Redressed	Pending
Non-receipt of securities	1	1	Nil
Non-receipt of Annual Report	4	4	Nil
Non–receipt of dividend/dividend warrants	8	8	Nil
Total	**13**	**13**	**Nil**

To redress investor grievances, the Company has a dedicated e-mail ID, compliance.officer@bharti.in to which investors may send complaints.

Committee of Directors

In addition to the above committees, the Company has also formed a functional committee known as the Committee of Directors. This Committee has been constituted to cater to the various day-to-day requirements and to facilitate the seamless operations of the Company. The Committee meets generally on a monthly basis. The constitution of this Committee has been duly approved by the Board.

Key Responsibilities

The terms of reference of the Committee of Directors are as follows:

Investment Related

- To make loans to any body corporate/entity within the limits approved by the Board of directors;
- To give guarantee(s) in connection with loan made to any body corporate/entity within the overall limits approved by the Board of directors;
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and/or guarantee(s) from time to time;
- To open, operate, close, change in authorisation for any Bank, Demat, Subsidiary General Ledger (SGL), Dematerialisation/ Depository Account;
- To purchase, sell, acquire, subscribe, transfer, sale or otherwise deal in the shares/securities of any company, body corporate or other entities within the limits approved by the Board.

Borrowing Related

- To borrow such sum of money as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under Section 293(1)(d) of the Companies Act, 1956 i.e. upto the paid-up capital and free reserve of the Company;
- To create security/charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company;
- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short-term deposits of corporates), fixed deposits & certificate of deposit program of banks and other instruments/ securities/ treasury products of banks and financial institutions etc. as per treasury policy of the Company;
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rates swaps;
- To open, operate, close, change in authorisation for any Bank account, Subsidiary General Ledger (SGL) Account, Dematerialisation/Depository Account;
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities including borrowing/credit facilities, creation of charge etc.

Allotment of Shares

- Issue and allot shares of the Company in one or more tranches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company;
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being *pari-passu* with the existing equity shares of the Company in all respects;
- To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.

General Authorisations

- To open, shift, merge, close any branch office, circle office etc.;
- To approve for participation into any tender, bid, auction etc. by the Company;
- To register the Company with any Central/State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies;
- To purchase, sell, take on lease/license, transfer or otherwise deal with any property;
- To apply for and surrender any electricity, power or water connection;
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and/or Professionals for undertaking any assignment for and on behalf of the Company;
- To constitute, reconstitute, modify, dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, re-appoint, remove, replace the trustees or representatives;
- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
  - represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory/ administrative authorities or any other entity.
  - negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers.
  - affix common seal of the Company.
  - enter into, sign, execute and deliver all contracts for and on behalf of the Company.
- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of directors of the Company or which has specifically been delegated by the Board of directors to any other committee of the Board or any officer, employee or agent of the Company;

- To perform such other functions as may be authorised/delegated by the Board of directors or as might have been authorised/delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee;
- To authorise/delegate any or all of its power to any person, officer, representative to do any act, deed or thing as may be required to be done to give effect to the aforementioned resolution.

SUBSIDIARY COMPANIES

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Bharti Infratel Limited is a material non-listed Indian subsidiary as defined under clause 49 of the listing agreement. Mr. N. Kumar, independent non-executive director of the Company has been nominated and appointed by the Company as an independent non-executive director on the Board of Bharti Infratel Limited w.e.f. April 29, 2008, in compliance with the clause 49(III)(i) of the listing agreement with the stock exchanges.

GENERAL BODY MEETINGS

The last three Annual General Meetings (AGMs) were held as under:

Financial Year	Location	Date	Time
2009-2010	Air Force Auditorium, Subroto Park, New Delhi	September 1, 2010	15.30 Hrs. (IST)
2008-2009		August 21, 2009	15.30 Hrs. (IST)
2007-2008		August 1, 2008	15.30 Hrs. (IST)

Special resolutions passed at the last three AGMs

Following two special resolutions were passed at the last AGM held on September 1, 2010:

- Consent for appointment of Mr. Shravin Mittal as an employee in a subsidiary company.
- Payment of commission to non-executive directors of the Company.

No special resolutions were passed in the AGMs held on August 21, 2009 and August 1, 2008. No special resolution is proposed to be passed at the ensuing AGM.

Postal ballot

During the previous year, the Company had no occasion to pass any resolution by postal ballot.

DISCLOSURES

Disclosure on materially significant related party transactions

The required statements/disclosures with respect to the related party transactions, are placed before the audit committee as well as to the Board of directors, on quarterly basis in terms of clause 49(IV)(A) of the listing agreement and other applicable laws for approval/information.

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business exigencies such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and are all on an arm's length basis.

Details of related party transactions have been disclosed under Note 22 of Schedule 21 forming part of the Annual Accounts.

Disclosure on Risk Management

In compliance with clause 49 of the listing agreement, the Company has established an enterprise wide risk management ("ERM") framework to optimally identify and manage risks as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach for evaluating and managing risks. The monitoring of the risk assessment is included in the Company's annual Internal Audit program and reviewed by the audit committee at regular intervals.

The Board is regularly updated on the key risks and the steps and processes initiated for reducing and if feasible eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Details of non-compliance with regard to the capital market

There have been no instances of non-compliances by us and no penalties and/or strictures have been imposed on us by stock exchanges or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

CEO and CFO certification

The certificate required under clause 49(V) of the listing agreement duly signed by the CEO and CFO was placed before the Board and the same is provided as annexure A to this report.

Compliance with the mandatory requirements of clause 49 of the listing agreement

We have complied with all the mandatory requirements of the code of corporate governance as stipulated under the listing agreement. We have obtained a certificate affirming the compliances from M/s. S. R. Batliboi & Associates, Chartered Accountants, the statutory auditors of the Company and the same is attached to the Directors' report.

Adoption of non-mandatory requirements of clause 49 of the listing agreement

We have adopted the following non-mandatory requirements of clause 49 of the listing agreement:

- ***Remuneration Committee***

  We have an HR committee of the Board of directors which also undertakes the functions of remuneration committee. A detailed note on the HR (remuneration) committee has been provided in the 'Board committees' section of this report.

- ***Shareholders' Rights and Auditors' Qualification***

  The Company has a policy of announcement of the audited quarterly results. The results as approved by the Board of directors (or committee thereof) are first submitted to the Stock Exchanges within 15 minutes of the approval of the results. Once taken on record by the stock exchanges, the same are disseminated in the media by way of press release.

During the previous financial year, none of the auditors' reports on quarterly results were qualified.

On the day of announcement of the quarterly results, an earnings call is organised where the investors/analysts interact with the management and the management respond to the queries of the investors/analysts. The earnings calls are webcast live and transcripts posted on the website. In addition, discussion with the management team is webcast and also aired in the electronic media.

- *Ombudsperson Policy*

  We have adopted an Ombudsperson Policy (includes Whistle Blower Policy), which outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach of the Code of Conduct for employees. The Policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised, and undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit Committee. All the employees of the Company as well as vendors/partners and any person who has a grievance with respect to the Company (excluding standard customer complaints) has full access to the Ombudsperson through phones, e-mails or even meetings in person.

- *Compliance with the ICSI Secretarial Standards*

  The Company has substantially complied with the Secretarial Standards as laid down by the Institute of Company Secretaries of India.

- *Memorandum and Articles of Association*

  The updated Memorandum and Articles of Association of the Company is uploaded on the website of the Company in the Investor Relations section. There were no amendments during the previous year.

Compliance with the Corporate Governance Voluntary Guidelines 2009

With an objective of encouraging the voluntary adoption of better practices in achieving the highest standard of corporate governance, the Ministry of Corporate Affairs, Government of India, published the Corporate Governance Voluntary Guidelines 2009. These guidelines will also translate into a much higher level of stakeholders' confidence to ensure long-term sustainability and value generation by business. The guidelines broadly focus on areas such as Board of directors, responsibilities of the Board, audit committee functions, roles and responsibilities, appointment of auditors, Compliance with Secretarial Standards and a mechanism for whistle blower support. The Company has substantially complied with the Corporate Governance Voluntary Guidelines 2009.

Adoption of International Financial Reporting Standards

Till last year, beside preparation of the I GAAP consolidated financial statements as per statutory requirements, the Company also used to prepare the financial statements under US GAAP voluntarily, which were audited by M/s. Ernst & Young, Global Accountants. In April 2010, the Stock Exchanges had amended Clause 41 of the Listing Agreement and permitted the companies to prepare its consolidated financial statements as per IFRS in place of I GAAP from financial year 2010-11 onwards. Accordingly the Company has migrated to IFRS accounting from the financial year 2010-11 and the consolidated financial statements have been prepared under IFRS discontinuing the practice of preparation of financial statements as per US GAAP from financial year 2010-11.

Green Initiatives by MCA

In order to protect the environment, and after withdrawal of the certificate of posting facility by the postal department, the Ministry of Corporate Affairs had recently clarified that communications to the shareholders through e-mail or equivalent mode will also be in compliance with the provisions of Section 53 of the Companies Act, 1956. Accordingly the Company has decided to send all future communications through e-mail to those shareholders, who have registered their e-mail id with their depository participant/Company's registrar and share transfer agent. In case the shareholders desire to receive printed copy of such communications, they may requisition to the Company and the Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend declared in last two years

The Company declared its maiden dividend in August 2009 for the financial year 2008-09. Status of the dividend declared by the Company for the last two years is as under.

(Amount in ₹ Mn)

Financial year	Rate of dividend	Total pay-out	Amount paid to the shareholders	Amount un-paid to the shareholders
2008-09	₹ 2 per equity share of ₹ 10 each	3,796.84	3,790.73 (99.84%)	6.11 (0.16%)
2009-10	₹ 1 per equity share of ₹ 5 each	3,797.53	3,789.69 (99.79%)	7.85 (0.21%)

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

MEANS OF COMMUNICATION

The quarterly audited results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on our website. We organise an earnings call with analysts and investors on the day of announcement of results, which is also broadcast live on the Company's website, and the transcript is posted on the website soon after. Any specific presentation made to the analysts/others is also posted on the website.

Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website www.airtel.com.

Since the time of listing of shares, we have adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and company developments, results of operations, stock market highlights, non-GAAP information, ratio analysis, summarised financial statements etc. The quarterly reports are posted on our website and are also submitted to the stock exchanges where the shares of the Company are listed.

GENERAL SHAREHOLDERS' INFORMATION

16th Annual General Meeting

Date	:	September 1, 2011
Day	:	Thursday
Time	:	3.30 p.m.
Venue	:	Air Force Auditorium, Subroto Park, New Delhi – 110 010

Financial Calendar *(Tentative Schedule, subject to change)*

Financial year	:	April 1 to March 31
Results for the quarter ending		
June 30, 2011	:	August 3, 2011 (Wednesday)
September 30, 2011	:	November 4, 2011 (Friday)
December 31, 2011	:	February 8, 2012 (Wednesday)
March 31, 2012		May 2, 2012 (Wednesday)
Book Closure	:	Saturday, August 20, 2011 to Thursday, September 1, 2011 (both days inclusive)
Dividend	:	₹ 1 per share of ₹ 5 each (i.e. 20% on the face value of the shares)
Dividend pay-out date	:	On or after September 1, 2011 (within the statutory time limit of 30 days i.e. up to September 30, 2011), subject to the approval of the shareholders.
Plant Locations	:	Being a service provider company, Bharti Airtel has no plant locations. However, Circle Office addresses of the Company are provided at the end of the annual report.

Equity shares listing, stock code and listing fee payment

Name and address of the stock exchange	Scrip name/ code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	BHARTIARTL	Paid
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532454	Paid

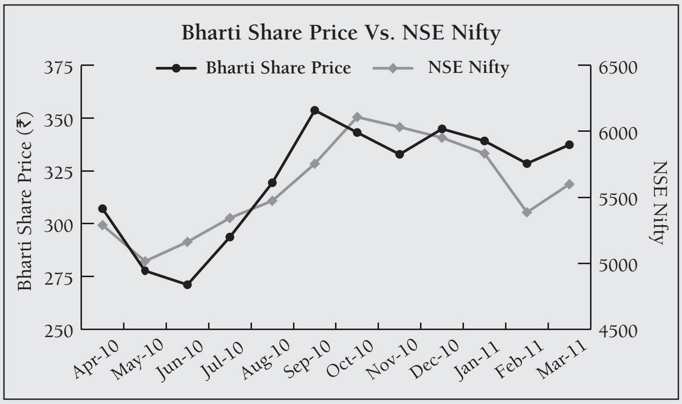
The Company de-listed its shares from the Delhi Stock Exchange Association Limited (Regional) during the financial year 2003-04.

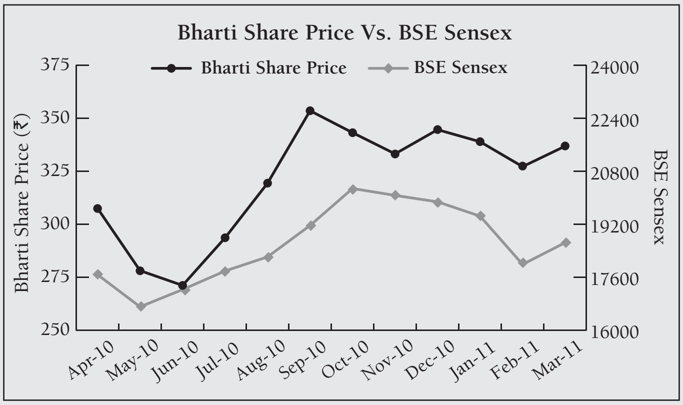
Stock market data for the period April 1, 2010 to March 31, 2011

	NSE			BSE		
Month	High ₹	Low ₹	Volume (Nos)	High ₹	Low ₹	Volume (Nos.)
Apr-10	320.40	293.80	117,117,612	320.50	294.50	15,190,211
May-10	297.00	258.40	152,633,676	297.50	258.65	22,824,629
Jun-10	285.20	257.00	141,202,233	285.25	256.95	28,475,516
Jul-10	322.65	264.70	179,516,666	322.55	264.60	32,384,692
Aug-10	328.45	310.30	106,716,931	328.65	310.15	13,146,196
Sep-10	373.25	334.10	116,500,942	373.10	334.05	14,788,002
Oct-10	365.10	321.25	101,422,287	365.15	321.30	12,500,323
Nov-10	360.15	305.55	150,303,258	360.40	306.05	17,304,378
Dec-10	358.80	331.00	82,973,280	358.40	330.90	7,949,731
Jan-11	359.35	319.00	65,868,187	359.35	318.55	5,096,111
Feb-11	339.85	317.10	99,345,125	339.80	314.60	10,531,833
Mar-11	360.60	314.15	83,092,126	359.50	314.20	7,057,549

Source: www.nseindia.com Source: www.bseindia.com

Share Price performance in comparison with NSE Nifty and BSE Sensex





Share Transfer System

99.86% of the equity shares of the Company are in electronic format. These shares can be transferred through the depositories without any involvement of the Company.

Request for transfer of shares in physical form are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfer requests are first processed by the Transfer Agent and are submitted to the Company for approval.

The authorised officials of the Company approve the registration of transfers. However, the Transfer Agent has been authorised by the Company to register transfer upto 50 shares without any approval by the Company.

Pursuant to clause 47(c) of the listing agreements, we obtain certificates from a practicing Company Secretary on half-yearly basis to the effect that all the transfers are completed in the statutorily stipulated period. A copy of the certificate so received is submitted to both stock exchanges, where the shares of the Company are listed.

Distribution of shareholding

By number of shares held as on March 31, 2011

Sl. No.	Category (by No. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	349,635	97.68%	33,809,168	0.89%
2	5001 – 10000	4,067	1.14 %	6,141,303	0.16%
3	10001 – 20000	1,725	0.48%	4,981,439	0.13%
4	20001 – 30000	586	0.16%	2,904,465	0.08%
5	30001 – 40000	299	0.08%	2,107,937	0.06%
6	40001 – 50000	208	0.06%	1,932,587	0.05%
7	50001 – 100000	353	0.10%	5,120,877	0.13%
8	100001 – above	1,064	0.30%	3,740,532,320	98.50%
	Total	357,937	100 %	3,797,530,096	100%

By category of holders as on March 31, 2011

Sl. No.	Category	No. of shares	% age of holding
I.	**Promoter and promoter group**		
	(i) Indian promoters	1,727,739,056	45.50
	(ii) Foreign promoters	865,673,286	22.79
	Total promoters shareholding	**2,593,412,342**	**68.29**
II.	**Public shareholding**		
	(A) Institutional investors		
	(i) Mutual Funds and Unit Trust of India	135,571,417	3.57
	(ii) Financial institutions and Banks	3,404,865	0.09
	(iii) Insurance companies	191,635,173	5.05
	(iv) Foreign Institutional Investors	654,182,473	17.23
	(B) Others		
	(i) Bodies Corporate (Indian)	140,757,887	3.71
	(ii) Bodies Corporate (foreign)	5,082,710	0.13
	(iii) Trusts	479,679	0.01
	(iv) NRIs/OCBs/Foreign Nationals	4,667,506	0.12
	(v) Indian Public & Others	68,336,044	1.8
	Total Public Shareholding	**1,204,117,754**	**31.71**
	Total Shareholding	**3,797,530,096**	**100**

Top 10 Shareholders as on April 29, 2011

Sl. No.	Holders*	Shareholding	%
1	Bharti Telecom Limited	1,727,739,056	45.50
2	Pastel Limited	591,319,300	15.57
3	Indian Continent Investment Limited	265,860,986	7.00
4	Life Insurance Corporation of India	189,775,221	5.00
5	J.P. Morgan	45,507,939	1.20
6	ICICI Prudential Life Insurance Company Limited	41,508,185	1.09
7	Aberdeen	41,384,920	1.09
8	Comgest S.A. A/c	35,200,000	0.93
9	Emerging Markets	31,140,727	0.82
10	Dodge and Cox	30,043,387	0.79
	Total	**2,999,479,721**	**78.99**

**includes shares held in different accounts*

Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold our shares with any of the depository participants registered with these depositories. As on March 31, 2011, over 99.86% shares of the Company were held in dematerialised form. ISIN for the Company's shares is INE 397D01024.

The equity shares of the Company are frequently traded at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Communication addresses

For corporate governance and other secretarial related matters

Ms. Vijaya Sampath
Group General Counsel & Company Secretary
Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase - II
New Delhi - 110 070
Telephone No.: +91 11 46666100
Fax No.: +91 11 46666137
E-mail: compliance.officer@bharti.in
Website: www.airtel.com

For queries relating to Investor Relations

Mr. Harjeet Kohli
Corporate Head - Treasury & Investor Relations
Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase - II,
New Delhi - 110 070
Telephone No.: +91 11 46666100
Fax No.: +91 11 46666137
E-mail: ir@bharti.in

For Corporate Communication related matters

Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase - II,
New Delhi - 110 070
Telephone No.: +91 11 46666100
Fax No.: +91 11 46666137
E-mail: corporate.communication@bharti.in

Registrar & Transfer Agent

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittalrao Nagar,
Madhapur,
Hyderabad - 500 081
Telephone No.: 040-23420815-821
Fax No.: 040-23420814
E-mail id: einward.ris@karvy.com
Website: www.karvy.com
Toll Free No.: 1-800-3454001

Annexure A

Declaration

I, hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2011.

For **Bharti Airtel Limited**

Sanjay Kapoor
CEO (India & South Asia)

Place: New Delhi
Date: May 5, 2011

Annexure B

Chief Executive Officer (CEO)/Chief Financial Officer (CFO) certification

We, Sanjay Kapoor, CEO (India & South Asia) and Srikanth Balachander, Chief Financial Officer of Bharti Airtel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statements for the financial year ended March 31, 2011 and:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee:

  (i) Significant changes in the internal control over financial reporting during the year;

  (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sanjay Kapoor
CEO (India & South Asia)

Srikanth Balachander
Chief Financial Officer

Place: New Delhi
Date: May 4, 2011

Secretarial audit report

The Board of Directors
Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase - II,
New Delhi – 110 070, India.

We have examined the registers, records and documents of Bharti Airtel Limited (the Company) for the financial year ended March 31, 2011 in the light of the provisions contained in :-

- The Companies Act, 1956 and the Rules made thereunder.
- The Depositories Act, 1996 and the Rules made thereunder and the bye-laws of the Depositories who have been given the requisite Certificates of Registration under the Securities and Exchange Board of India Act, 1992.
- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder including:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
  - The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1999 and
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999.
- The listing agreement with the National Stock Exchange Limited and with the Bombay Stock Exchange Limited.

A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines made thereunder, listing agreement as mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
2. Filling with the Registrar of Companies the forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of directors.
5. Remuneration of executive and independent directors.
6. Service of notice and agenda of board meetings and meetings of the committee of directors.
7. Meeting of the Board and its committees.
8. Holding annual general meeting and production of the various registers thereat.
9. Recording the minutes of proceedings of board meetings, committee meetings and general meetings.
10. Appointment and remuneration of Auditors.
11. Registration of transfer of shares held in physical mode.
12. Dematerialisation and rematerialisation of shares.
13. Investment of company's funds.
14. Execution of contracts, affixation of common seal, registered office and the name of the Company.
15. Conferment of options and allotment of shares under the Employee Stock Option Scheme of the Company.
16. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
17. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1999.
18. Requirements set out in the listing agreement with the aforementioned stock exchanges.

B. We further report that-

(i) the directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in pursuing its normal business, and

(ii) there was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the Company under the aforementioned Acts, Rules, Regulations and Guidelines made thereunder or on its directors and officers.

For Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
FCS: 1644
CP: 715

Place: New Delhi
Date: April 26, 2011

Standalone financial statements with Auditors' report

Auditors' Report

To
The Members of Bharti Airtel Limited,

1. We have audited the attached Balance Sheet of Bharti Airtel Limited ('Bharti Airtel' or 'the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;

      b) in the case of the profit and loss account, of the profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

per Prashant Singhal
Partner
Membership No. 93283

Place: New Delhi
Date: May 5, 2011

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

Re: BHARTI AIRTEL LIMITED ('the Company')

(i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, *however, is in the process of updating* quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

(b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the programme, a portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The Company is in the process of reconciling the quantitative and situation details of the physical verification results with the records maintained by the Company.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The inventory (other than inventory with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company for the current year.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess and other material statutory dues applicable to it. The provisions relating to excise duty is not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to Which it Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	4,661.28	2000-02; 2005-08; 2009-10	High Court of Andhra Pradesh
Gujarat Sales Tax Act	Sales Tax	0.93	2006-07	Commissioner (Appeals)
West Bengal Sales Tax Act	Sales Tax	0.40	1996-97	DCCT - Appellate Stage
West Bengal Sales Tax Act	Sales Tax	0.01	1997-98	DC Appeals
West Bengal Sales Tax Act	Sales Tax	0.28	1995-96	The Commercial Tax Officer
West Bengal Sales Tax Act	Sales Tax	–	2004-05	West Bengal Taxation Tribunal
West Bengal Sales Tax Act	Sales Tax	324.85	2005-06	DCCT Appeal
West Bengal Sales Tax Act	Sales Tax	1,095.80	2006-08	Appellate Authority
UP VAT Act	Sales Tax	2.93	2004-05; 2006-08	Assessing Officer
UP VAT Act	Sales Tax	9.18	2002-10	Reviewing authorities
UP VAT Act	Sales Tax	0.88	2009-10	Additional Commissioner Appeals
UP VAT Act	Sales Tax	0.50	2003-04	Joint Commissioner Appeals
UP VAT Act	Sales Tax	22.71	2003-07; 2009-10	Joint Commissioner Appeals
UP VAT Act	Sales Tax	9.45	2006-07; 2010	High Court of Judicature at Allahabad, Lucknow Bench
UP VAT Act	Sales Tax	–	2008-09	Assistant Commissioner of Sales tax
UP VAT Act	Sales Tax	4.36	2006-07; 2008-09	Commercial Taxes Tribunal
UP VAT Act	Sales Tax	0.54	2005-06	Appellate Authority
Haryana Sales Tax Act	Sales Tax	2.80	2002-2004	Joint Commissioner
Haryana Sales Tax Act	Sales Tax	1.35	2009-10	Assessing Officer
Haryana Sales Tax Act	Sales Tax	1.80	2007-09	Finance Commissioner (Appeal)
Punjab Sales Tax Act	Sales Tax	0 .61	2001-02	Joint Director (Enforcement)
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22.08	1997-01 & 2003-06 & 2007-08	Deputy Commissioner Appeals
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	15.44	2007-08	Appellate Authority
UP VAT Act	Sales Tax	1.13	2002-05	Assistant Commissioner
Karnataka Sales Tax Act	Sales Tax	3,449.57	2002-09	Tribunal
Kerala Sales Tax Act	Sales Tax	0.80	2009-11	Intelligence Officer Squad No. V, Palakkad
Bihar Value Added Sales Tax Act	Sales Tax	11.33	2005-07	Joint Commissioner Appeals
Bihar Value Added Sales Tax Act	Sales Tax	19.87	2006-07; 2007-08	Assistant Commissioner
Delhi Value Added Tax Act	Sales Tax	12.75	2005-06	Sales Tax Department
J&K General Sales Tax	Sales Tax	28.85	2004-07	High Court
Karnataka Sales Tax Act	Sales Tax	0.15	2005-06	High Court
Tamil Nadu Sales Tax Act	Sales Tax	634.28	1996-2001	Commercial Tax Officer
Sub Total (A)		**10,336.88**		
Finance Act, 1994 (Service tax provisions)	Service Tax	1,458.99	1997-2009; 2010-11	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	46.81	1999-00, 2002-08	Commissioner (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	0.45	2004-06	Deputy Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	231.02	2000-01 & 2005-08	Suppdt. of Mohali
Finance Act, 1994 (Service tax provisions)	Service Tax	19.77	2004-07	Commissioner of Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	334.52	2004-08	Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	–	2006-07	Joint Commissioner of Central Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	5.56	2001-02; 2005-06	Deputy Commissioner of Service Tax (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	0.97	1994-95	Additional Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	1.17	1994-95; 2003-04	Assistant Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	3.66	2006-07	Joint Commissioner of Service Tax
Sub Total (B)		**2,102.91**		

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

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

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, funds amounting to ₹ 40,796 Mn raised on short-term basis (primarily represented by capital creditors) have been used for long-term investment (primarily represented by fixed assets).

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company has created security or charge in respect of debentures outstanding at the year end.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit *except few cases of fraud, primarily in the nature of unauthorized use of Company's services, on the Company by employees and external parties estimated at ₹ 5 Mn and ₹ 63.7 Mn, respectively*, as detected by the management for which appropriate steps were taken to recover the amount and ₹ 2.8 Mn out of such estimated amounts, has been recovered by the Company.

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

per Prashant Singhal
Partner
Membership No. 93283

Place: New Delhi
Date: May 5, 2011

Balance Sheet as at March 31, 2011

(₹ Millions)

Particulars	Schedule No.	As at March 31, 2011		As at March 31, 2010	
SOURCES OF FUNDS					
Shareholder's Funds					
Share Capital	1		18,988		18,988
Employee Stock Options Outstanding		3,694		2,839	
Less: Deferred Stock Compensation		908	2,786	978	1,861
(Refer Note 20 on Schedule 20 and Note 26 on Schedule 21)					
Reserves and Surplus	2		419,342		346,523
Loan Funds					
Secured Loans	3		171		394
Unsecured Loans	4		118,804		49,995
Deferred Tax Liability (Net)			5,276		33
(Refer Note 13 on Schedule 20 and Note 25 on Schedule 21)					
Total			565,367		417,794
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block			614,375		442,125
Less: Accumulated Depreciation/Amortisation			207,367		161,875
Net Block			407,008		280,250
Capital Work-in-Progress (including Capital Advances)			64,976		15,947
			471,984		296,197
Investments	6		118,130		157,733
Current Assets, Loans and Advances					
Inventory	7		344		272
Sundry Debtors	8		23,758		21,050
Cash and Bank Balances	9		1,338		8,167
Other Current Assets	10		1,015		664
Loans and Advances	11		103,037		63,146
			129,492		93,299
Less: Current Liabilities and Provisions	12				
Current Liabilities			147,963		122,848
Provisions			6,276		6,587
			154,239		129,435
Net Current Assets			(24,747)		(36,136)
Total			565,367		417,794
Statement of Significant Accounting Policies	20				
Notes to the Financial Statements	21				

As per our report of even date

The Schedules referred to above and Notes to the Financial Statements form an integral part of the Balance Sheet

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place: New Delhi
Date: May 5, 2011

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

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

(₹ Millions)

Particulars	Schedule No.	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME			
Service Revenue		379,924	355,861
Sale of Goods		234	234
		380,158	356,095
EXPENDITURE			
Access Charges		49,872	44,357
Network Operating	13	85,712	74,467
Cost of Goods Sold	14	161	203
Personnel	15	14,512	15,305
Sales and Marketing	16	31,802	24,049
Administrative and Other	17	21,353	22,401
Total Expenditure		203,412	180,782
Profit before Licence Fee, Other Income, Finance Expense (Net), Depreciation, Amortisation, Charity and Donation and Taxation		176,746	175,313
Licence fee & Spectrum charges (revenue share)		42,903	37,549
Profit before Other Income, Finance Expense (Net), Depreciation, Amortisation, Charity and Donation and Taxation		133,843	137,764
Other Income	18	1,129	897
Finance Expense (net)	19	1,308	(8,556)
Depreciation		41,937	37,939
Amortisation		4,179	2,106
Charity and Donation [₹ Nil (2009-10 ₹ 30 Mn) paid to Satya Electoral Trust for political purposes]		290	179
Profit before Tax		87,258	106,993
MAT credit		(12,469)	(10,386)
[Includes ₹ 345 Mn for earlier year (2009-10 ₹ 704 Mn)]			
Tax Expense			
- Current Tax		17,315	19,813
[Includes ₹ (13) Mn for earlier year (2009-10 ₹ 952 Mn)]			
- Deferred Tax		5,243	3,304
(Refer Note 13 on Schedule 20 and Note 25 on Schedule 21)			
Profit after Tax		77,169	94,262
Transferred from Debenture Redemption Reserve		65	38
Transferred to General Reserve		5,800	7,100
Proposed Dividend (Refer Note 31 on Schedule 21)		3,798	3,798
Tax on Dividend Proposed/Paid		601	645
Profit after Appropriation		67,035	82,757
Profit brought forward (Refer Schedule 2)		267,785	185,028
Profit carried to Balance Sheet		334,820	267,785
Earnings per share (in ₹) - Basic		20.32	24.83
Earnings per share (in ₹) - Diluted		20.32	24.82
(Refer Note 17 on Schedule 20 and Note 27 on Schedule 21)			
Nominal value of share		5	5
Statement of Significant Accounting Policies	20		
Notes to the Financial Statements	21		

As per our report of even date

The Schedules referred to above and Notes to the Financial Statements form an integral part of the Profit and Loss Accounts

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Place: New Delhi
Date: May 5, 2011

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2011

(₹ Millions)

	Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
A.	**Cash flow from operating activities:**		
	Net profit before tax	87,258	106,993
	Adjustments for:		
	Depreciation	41,937	37,939
	Interest Expense and other finance charges	2,845	2,745
	Interest Income	(551)	(1,037)
	(Profit)/Loss on Sale of Assets (Net)	246	171
	(Profit)/Loss on Sale of Investments	(1,550)	(1,839)
	Amortisation of ESOP Expenditure	1,094	934
	Lease Equalisation/FCCB Premium	2,746	2,768
	Provision for Deferred Bonus/Long term service award	139	159
	Amortisation	4,179	2,106
	Debts/Advances Written off	3,870	718
	Provision for Bad and Doubtful Debts/Advances	(1,688)	2,268
	Liabilities/Provisions no longer required written back	(131)	(444)
	Provision for Gratuity and Leave Encashment	659	198
	Provision for Diminution in Stock/Capital work-in-progress/Security Deposit	229	672
	Unrealized Foreign Exchange (gain)/loss	(15)	(8,602)
	Loss/(Gain) from swap arrangements	122	88
	Provision for Wealth Tax	1	-
	Operating profit before working capital changes	141,390	145,837
	Adjustments for changes in working capital:		
	- (Increase)/Decrease in Sundry Debtors	(4,663)	1,581
	- (Increase)/Decrease in Other Receivables	(3,219)	(4,181)
	- (Increase)/Decrease in Inventory	(301)	158
	- Increase/(Decrease) in Trade and Other Payables	15,230	3,253
	Cash generated from operations	148,437	146,648
	Taxes (Paid)/Received	(16,283)	(19,721)
	Net cash from operating activities	132,154	126,927
B.	**Cash flow from investing activities:**		
	Adjustments for changes in:		
	Purchase of fixed assets	(212,304)	(72,553)
	Proceeds from Sale of fixed assets	346	357
	Proceeds from Sale of Investments	341,871	291,901
	Purchase of Investments	(295,203)	(315,708)
	Interest Received	573	1,193
	Net movement in advances given to Subsidiary Companies	(25,215)	(6,764)
	Purchase of Fixed Deposits (with maturity more than three months)	(54)	(17,437)
	Proceeds from Maturity of Fixed Deposits (with maturity more than three months)	4,750	27,302
	Acquisition/ Subscription/ Investment in Subsidiaries/ Associate/ Joint Venture (Refer Note 2 on Schedule 21)	(5,514)	(14,309)
	Net cash used in investing activities	(190,750)	(106,018)

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
C. Cash flow from financing activities:		
Issue of Shares under ESOP Scheme (including share application)	–	164
Receipts from long-term borrowings	79,500	7,181
Payments for long-term borrowings	(32,983)	(25,417)
Net movement in cash credit facilities and short-term loans	21,350	496
Dividend Paid	(3,798)	(3,796)
Tax on dividend paid	(630)	(645)
Interest and other finance charges paid	(6,852)	(3,314)
Gain/(Loss) from swap arrangements	(122)	(62)
Net cash from/(used) in financing activities	56,465	(25,393)
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,131)	(4,484)
Opening Cash and Cash Equivalents	3,415	7,899
Cash and Cash Equivalents as at year end	1,284	3,415
Cash and Cash Equivalents comprise:		
Cash and Cheques on hand	235	295
Balance with Scheduled Banks	1,103	7,872
Cash and Bank Balances as per Schedule 9	1,338	8,167
Less: Fixed deposits not considered as cash equivalents	54	4,752
Cash and Cash Equivalents in Cash Flow Statement	1,284	3,415

Notes:

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

As per our report of even date

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 5, 2011

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

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE : 1		
SHARE CAPITAL		
Authorised		
5,000,000,000 (March 31, 2010 - 5,000,000,000)	25,000	25,000
Equity shares of ₹ 5 each		
Issued, Subscribed and Paid-up		
3,797,530,096 of ₹ 5 each fully paid-up	18,988	18,988
(March 31, 2010 - 3,797,530,096 Equity Shares of ₹ 5 each)		
(Refer Notes below)	18,988	18,988
Notes:		
(a) 49,999,000 and 1,516,390,970 equity shares of ₹ 10 each issued as fully paid-up bonus shares on February 24, 1997 and September 30, 2001 respectively out of Share Premium account.		
(b) 21,474,527 Equity Shares of ₹ 10 each are allotted as fully paid-up upon the conversion of Foreign Currency Convertible Bonds (FCCBs).		
(c) 2,722,125 Equity Shares of ₹ 10 each are allotted as fully paid-up under the Scheme of amalgamation without payments being received in cash.		
(d) For Stock options outstanding details refer Note 20 on Schedule 20 and Note 26 on Schedule 21.		
SCHEDULE : 2		
RESERVES AND SURPLUS		
Securities Premium		
Opening balance	40,533	40,147
Additions during the year	108	386
	40,641	40,533
Revaluation reserve	21	21
Capital reserve	51	51
Reserve for Business Restructuring	24,912	24,912
Debenture Redemption reserve		
Opening balance	97	135
Transferred to Profit and Loss Account during the year	(65)	(38)
	32	97
General Reserve		
Opening balance	13,124	6,000
Add: Adjustment on account of forfeiture of ESOP	–	24
Less: Adjustment on account of exercise of stock options through open market purchase	(59)	–
Add: Trasferred from Profit and Loss Account	5,800	7,100
	18,865	13,124
Profit and Loss Account		
Balance as per Profit and Loss Account	334,820	267,785
	419,342	346,523

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE : 3		
SECURED LOANS		
(Refer Note 12 on Schedule 21)		
Debentures	125	375
Loans and Advances from Banks:		
- Vehicle Loans	46	19
	171	394
Note: Amount repayable within one year	148	259
SCHEDULE : 4		
UNSECURED LOANS		
Short Term Loans and Advances		
From Banks	19,844	6,722
From Others*	7,800	-
Other Loans and Advances		
From Banks	68,093	16,856
From Others	23,067	26,417
	118,804	49,995
* Loan taken from subsidiary ₹ 7,800 Mn (March 31, 2010 ₹ Nil)		
Note: Amount repayable within one year	44,137	13,563

Schedules Annexed to and forming part of Financial Statements

SCHEDULE : 5 FIXED ASSETS

(Refer Notes 3, 4, 15 and 18 on Schedule 20 and Note 7, 20, 23 and 24 on Schedule 21)

(₹ Millions)

Particulars	Gross Block Value				Depreciation/Amortisation				Net Block Value	
	As at April 01, 2010	Additions during the year	Sale/ Adjustment during the year	As at March 31, 2011	As at April 01, 2010	For the year	Sale/ Adjustment during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
INTANGIBLE ASSETS										
Software	480	1,765	(3,855)	6,100	127	1,305	(1,151)	2,583	3,517	353
Bandwidth	14,584	3,809	-	18,393	2,685	1,199	16	3,868	14,525	11,899
Licences	21,195	106,327	-	127,522	11,669	1,675	-	13,344	114,178	9,526
TANGIBLE ASSETS										
Leasehold Land	385	-	2	383	10	5	-	15	368	375
Freehold Land	1,226	227	(21)	1,474	-	-	-	-	1,474	1,226
Building	5,132	398	408	5,122	911	244	6	1,149	3,973	4,221
Leasehold Improvements	3,204	241	(173)	3,618	1,484	399	55	1,828	1,790	1,720
Plant and Machinery	367,182	56,768	510	423,440	124,240	37,543	66	161,717	261,723	242,942
Computers	24,953	3,385	4,280	24,058	18,400	3,182	1,571	20,011	4,047	6,553
Office Equipment	2,310	341	38	2,613	1,405	366	29	1,742	871	905
Furniture and Fixture	1,239	147	6	1,380	808	154	14	948	432	431
Vehicles	231	58	21	268	135	44	18	161	107	96
Vehicle on Finance Lease	4	-	-	4	1	-	-	1	3	3
TOTAL	442,125	173,466	1,216	614,375	161,875	46,116	624	207,367	407,008	280,250
Capital Work-in-Progress (including Capital Advances)									**64,976**	**15,947**
GRAND TOTAL	442,125	173,466	1,216	614,375	161,875	46,116	624	207,367	471,984	296,197
Previous Year	372,667	70,689	1,231	442,125	122,533	40,045	703	161,875		

Notes:

1. Capital Work-in-Progress includes Capital advances of ₹ 246 Mn (March 31, 2010 ₹ 258 Mn).
2. Freehold Land and Building includes ₹ 368 Mn (March 31, 2010 ₹ 396 Mn) and ₹ 594 Mn (March 31, 2010 ₹ 332 Mn) respectively, in respect of which registration of title in favour of the Company is pending.
3. Building includes building on leasehold land of Gross Block ₹ 1,838 Mn (March 31, 2010 ₹ 1,821 Mn).
4. The remaining amortisation period of licence fees as at March 31, 2011 ranges between 4 to 14 years for Unified Access Service Licences, 11 years for Long Distance Licences, 19.5 years for 3G spectrum fees.
5. Licences includes Net Block of 3G spectrum fees of ₹ 105,795 Mn as on March 31, 2011 (March 31, 2010 ₹ Nil).
6. Licences and Capital work-in-progress include borrowing cost of ₹ 3,045 Mn and ₹ 1,269 Mn respectively (March 31, 2010 ₹ Nil).
7. Capital work-in-progress includes goods in transit ₹ 1,174 Mn (March 31, 2010 ₹ 2,120 Mn).
8. Computers include Gross Block of assets capitalised under finance lease ₹ 21,829 Mn (March 31, 2010 ₹ 16,904 Mn) and corresponding Accumulated Depreciation being ₹ 13,926 Mn (March 31, 2010 ₹ 10,245 Mn) WDV of ₹ 7,903 Mn (March 31, 2010 ₹ 6,659 Mn).
9. Sale/Adjustment during the year includes reclassification of class of assets.

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE : 6		
INVESTMENTS		
(Refer Note 7 on Schedule 20 and Note 19 on Schedule 21)		
Current, other than trade, Unquoted		
- Deposits and Bonds	29	4,663
Current, other than trade, Quoted		
- Mutual Funds	1,050	41,533
Long-term, other than trade, Unquoted		
- Government securities	2	2
	1,081	46,198
Long-Term : Trade, Unquoted		
Investment in Subsidiaries		
1) Bharti Hexacom Limited: 174,999,980 (March 31, 2010 - 174,999,980) Equity shares of ₹ 10 each fully paid-up	5,718	5,718
2) Bharti Airtel Services Limited: 100,000 (March 31, 2010 - 100,000) Equity shares of ₹ 10 each fully paid-up	1	1
3) Bharti Airtel (USA) Limited: 300 (March 31, 2010 - 300) Equity shares of USD .0001 each fully paid-up	509	509
4) Bharti Airtel (UK) Limited:123,663 (March 31, 2010 - 123,663) Equity shares of GBP 1 each fully paid-up	101	101
5) Bharti Airtel (Hongkong) Limited: 4,959,480 (March 31, 2010 - 4,959,480) Equity shares of HKD 1 each fully paid-up	26	26
6) Bharti Airtel (Canada) Limited: 75,100 (March 31, 2010 - 75,100) Equity shares of Canadian Dollar (CAD) 1 each fully paid-up.	3	3
7) Bharti Airtel (Singapore) Private Limited: Nil (March 31, 2010 - 750,001) (Refer Note 2 (h) on Schedule 21) Equity shares of Singapore Dollar (SGD) 1 each fully paid-up	-	20
8) Network i2i Limited: 9,000,000 (March 31, 2010 - 9,000,000) Equity shares of USD 1 each fully paid-up	5,316	5,316
9) Bharti Infratel Limited: 500,000,000 (March 31, 2010 - 500,000,000) Equity shares of ₹ 10 each fully paid-up	82,182	82,182
10) Bharti Telemedia Limited :9,690,000 (March 31, 2010 - 9,690,000) Equity shares of ₹ 10 each fully paid-up	115	115
11) Bharti Airtel Lanka (Private) Limited :525,596,420 (March 31, 2010 - 525,596,420) Equity shares of SLR 10 each fully paid-up	2,049	2,049
12) Bharti Airtel Holdings (Singapore) Pte Limited: 1 (March 31, 2010 - 1) Equity shares of Singapore Dollar (SGD) 1 each fully paid-up and 338,642,771 (March 31, 2010 - 333,642,771) Equity shares of USD 1 each fully paid-up (Refer Note 2 (k) on Schedule 21)	15,475	15,248
13) Bharti Airtel International (Mauritius) Ltd : 100,470,000 (March 31, 2010 - Nil) Equity shares of USD 1 each fully paid-up (Refer Note 2 (d) on Schedule 21)	4,636	-
14) Airtel M Commerce Services Limited : 2,000,000 (March 31, 2010 - Nil) Equity shares of ₹ 10 each fully paid-up (Refer Note 2(b) on Schedule 21)	20	-
15) Bharti International (Singapore) Pte. Ltd : 14,039,000 (March 31, 2010 - 3,000) Equity shares of USD 1 each fully paid up.(Refer Note 2 (e) and (h) on Schedule 21)	650	-

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	As at March 31, 2011		As at March 31, 2010	
16) Bharti Airtel International (Netherlands) B.V.: 18,735 (March 31, 2010 - 200) Equity shares of EURO 1 each fully paid-up (Refer Note 2 (f) on Schedule 21)		1	-	
Investment in Joint Ventures				
1) Bridge Mobile PTE Limited: 2,200,000 (March 31, 2010 - 2,200,000) Equity shares of USD 1 each fully paid-up		92	92	
Investment in Associates				
1) Bharti Teleport Limited ; 1,470,000 (March 31, 2010 - 1,470,000) Equity shares of ₹ 10 each fully paid-up		15	15	
2) Alcatel-Lucent Network Management Services India Limited: 9,000,004 equity shares of ₹ 10 each. (March 31, 2010 - 9,000,004)		90	90	
Others				
1) IFFCO Kissan Sanchar Limited : 100,000 (March 31, 2010 - 100,000) Equity Shares		50	50	
		117,049	111,535	
		118,130	157,733	
Aggregate Market value of Quoted Investments		1,051	42,167	
Aggregate value of Quoted Investments		1,050	41,534	
Aggregate value of Unquoted Investments		117,080	116,199	

SCHEDULE : 7

INVENTORY

Particulars	As at March 31, 2011		As at March 31, 2010	
(Refer Note 6 on Schedule 20)				
Stock-in-Trade *		344		272
		344		272

* Net of Provision for diminution in value ₹ 191 Mn (March 31, 2010 ₹ 210 Mn)

SCHEDULE : 8

SUNDRY DEBTORS

Particulars	As at March 31, 2011		As at March 31, 2010	
(Refer Note 5 on Schedule 20 and Note 8 on Schedule 21)				
(Unsecured, considered good unless otherwise stated)				
Debts outstanding for a period exceeding six months				
- considered good	267		1,234	
- considered doubtful	7,962		9,766	
Less: Provision for doubtful debts	(7,962)	267	(9,766)	1,234
Other debts				
- considered good	23,491		19,816	
- considered doubtful	1,389		1,486	
Less: Provision for doubtful debts	(1,389)	23,491	(1,486)	19,816
		23,758		21,050
Notes :				
i) Debts due from companies under the same management within the meaning of section 370(1B) - Bharti Airtel International (Netherlands) B.V		35		–
ii) Above includes Unbilled Receivables of ₹ 9,859 Mn (March 31, 2010 ₹ 9,497 Mn)				

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars		As at March 31, 2011		As at March 31, 2010
SCHEDULE : 9				
CASH AND BANK BALANCES				
Cash in Hand		34		47
Cheques in Hand		201		248
Balances with Scheduled Banks				
- in Current Account		1,031		254
- in Fixed deposits *		68		7,614
- in Deposit Account as Margin Money		4		4
		1,338		8,167
*[(Includes ₹ 12 Mn pledged with various authorities (March 31, 2010 ₹ 12 Mn)]				
SCHEDULE : 10				
OTHER CURRENT ASSETS				
Interest Accrued on Investment		29		51
Unamortised upfront fees and Deferred Premium		986		613
		1,015		664
SCHEDULE : 11				
LOANS AND ADVANCES				
(Unsecured, considered good unless otherwise stated)				
Advances Recoverable in cash or in kind or for value to be received				
- Considered good	28,207		22,533	
- Considered doubtful	3,560		3,347	
Less: Provision doubtful advances	(3,560)	28,207	(3,347)	22,533
Balances with Customs, Excise and Other Authorities		3,409		6,262
Advances to Subsidiaries (Net)		46,420		21,205
Advance to ESOP Trust		263		83
Advance Tax [Net of provision for tax ₹ 63,337 Mn (March 31, 2010 ₹ 46,022 Mn)]		42		837
Advance Wealth Tax [Net of provision for tax ₹ 1 Mn (March 31, 2010 ₹ 1 Mn)]		2		1
Advance Fringe Benefit Tax [Net of provision for tax ₹ 921 Mn (March 31, 2010 ₹ 921 Mn)]		14		14
MAT Credit		24,680		12,211
		103,037		63,146
Note: Amounts due from companies under the same management within the meaning of Section 370(1B) -				
Bharti Airtel International (Netherlands) B.V.		11,654		–
Maximum amount outstanding during the year		11,654		–

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	As at March 31, 2011		As at March 31, 2010	
SCHEDULE : 12				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors :				
Total outstanding dues of Micro and Small Enterprises*	43		44	
Total outstanding dues of Creditors other than Micro and Small Enterprises**	111,845	111,888	87,476	87,520
Advance Billing and Prepaid Card Revenue		26,549		27,587
Interest accrued but not due on loans		578		271
Other Liabilities		4,714		4,065
Advance Received from customers		1,458		582
Investor Education and Protection Fund - Unpaid Dividend (not due)		14		-
Security Deposits (Refer Note 8 on Schedule 21)		2,762		2,823
		147,963		122,848
*Refer Note 17 on Schedule 21				
**Amount payable to Subsidiary Companies ₹ 11,962 Mn (March 31, 2010 ₹ 9,676 Mn)				
Provisions				
Gratuity (Refer Note 10 on Schedule 20 and Note 6 on Schedule 21)		919		724
Leave Encashment (Refer Note 10 on Schedule 20 and Note 6 on Schedule 21)		607		534
Others (Refer Note 6(h), (i) and 20 on Schedule 21)		336		886
Proposed Dividend (Refer Note 31 on Schedule 21)		3,798		3,798
Tax on Dividend		616		645
		6,276		6,587
		154,239		129,435

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE : 13		
NETWORK OPERATING EXPENDITURE		
Interconnect and Port charges	906	838
Installation	29	46
Power and Fuel	24,423	21,901
Rent	42,008	35,825
Insurance	330	362
Repairs and Maintenance - Plant and Machinery	12,302	10,744
- Others	643	286
Leased Line and Gateway charges	1,244	1,239
Internet access and bandwidth charges	2,961	2,189
Others	866	1,037
	85,712	74,467
SCHEDULE : 14		
COST OF GOODS SOLD		
Opening Stock	272	622
Add: Purchases	2,513	2,786
Less: Sim card Utilisation	2,227	2,436
Less: Internal issues/capitalised	53	497
Less: Closing Stock	344	272
	161	203
SCHEDULE : 15		
PERSONNEL EXPENDITURE		
(Refer Note 10 on Schedule 20 and Note 6 on Schedule 21)		
Salaries and Bonus	11,923	13,036
Contribution to Provident and Other Funds	529	478
Staff Welfare	593	502
Recruitment and Training	373	355
ESOP amortisation Cost	1,094	934
	14,512	15,305
SCHEDULE : 16		
SALES AND MARKETING EXPENDITURE		
Advertisement and Marketing	7,215	5,508
Sales Commission and Content Cost	16,137	11,543
Sim card Utilisation	2,227	2,436
Others	6,223	4,562
	31,802	24,049

Schedules Annexed to and forming part of Financial Statements

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE : 17		
ADMINISTRATIVE AND OTHER EXPENDITURE		
Legal and Professional	1,081	967
Rates and Taxes	81	204
Power and Fuel	810	749
IT and Call Center Outsourcing	9,068	9,566
Traveling and Conveyance	946	819
Rent	1,329	1,568
Repairs and Maintenance - Building	130	131
- Others	456	469
Bad debts written off	3,870	718
Provision for doubtful debts and advances (Refer Note 30 on Schedule 21)	(1,688)	2,268
Provision for Diminution in Stock/Capital work-in-progress	229	487
Collection and Recovery Expenses	3,153	2,744
Loss on sale of Fixed Assets (Net)	246	171
Miscellaneous Expenses	1,642	1,540
	21,353	22,401
SCHEDULE : 18		
OTHER INCOME		
Liabilities/Provisions no longer required written back	131	444
Miscellaneous	998	453
	1,129	897
SCHEDULE : 19		
FINANCE EXPENSE/(INCOME) (Net)		
Interest:		
- On Term Loan	858	979
- On Debentures	27	54
- On Others	110	40
Amortisation of Premium on Redemption of FCCB's	–	1
Exchange fluctuation (gain)/loss (Net)	442	(8,513)
Loss from swap arrangements (Net)	122	87
Other Finance Charges	1,850	1,672
	3,409	(5,680)
Less: Income		
Profit on sale of Current Investments (other than trade)	1,550	1,839
Interest Income:		
- from Current Investments and Fixed Deposits (other than Trade) [Gross of TDS of ₹ 19 Mn (2009-10 ₹ 125 Mn)]	106	552
- from other advances [Gross of TDS of ₹ 43 Mn (2009-10 ₹ 41 Mn)]	445	485
	2,101	2,876
	1,308	(8,556)

Schedules Annexed to and forming part of Financial Statements

SCHEDULE : 20

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

1. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Notified accounting standards issued by Companies (Accounting Standards) Rules, 2006, ('as amended') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto, including taxes and duties (net of cenvat credit), freight and other incidental expenses related to acquisition and installation. Capital work-in-progress is stated at cost.

Site restoration cost obligations are capitalised when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The intangible component of license fee payable by the Company for cellular and basic circles, upon migration to the National Telecom Policy (NTP 1999), i.e. Entry Fee, has been capitalised as an asset and the one time license fee paid by the Company for acquiring new licences (post NTP 1999) (basic, cellular, national long distance and international long distance services) has been capitalised as an intangible asset.

4. DEPRECIATION/AMORTISATION

Depreciation on fixed assets is provided on the straight line method based on useful lives of respective assets as estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. Leasehold land is amortised over the period of lease. Depreciation rates adopted by the Company are as follows:

	Useful lives
Leasehold Land	Period of lease
Building	20 years
Building on Leased Land	20 years
Leasehold Improvements	Period of lease or 10 years whichever is less
Plant and Machinery	3 years to 20 years
Computer and Software	3 years
Office Equipment	2 years/5 years
Furniture and Fixtures	5 years
Vehicles	5 years

Software up to ₹ 500 thousand is fully amortised within one year from the date it is placed in service.

Bandwidth capacity is amortised on straight-line basis over the period of the agreement subject to a maximum of 18 years i.e. estimated useful life of bandwith.

The Entry Fee capitalised is amortised over the period of the license and the one time licence fee is amortised over the balance period of licence from the date of commencement of commercial operations.

3G spectrum fees is being amortised over the period of license from the effective date of launch of 3G services.

The site restoration cost obligation capitalised is depreciated over the period of the useful life of the related asset.

Fixed Assets costing up to ₹ 5 thousand (other than identified CPE) are being fully depreciated within one year from the date of acquisition.

5. REVENUE RECOGNITION AND RECEIVABLES

Mobile Services

Service revenue is recognised on completion of provision of services. Service revenue includes income on roaming commission and an access charge recovered from other operators, and is net of discounts and waivers. Revenue, net of discount, is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realisation of consideration.

Processing fees on recharge is being recognised over the estimated customer relationship period or voucher validity period, as applicable.

Revenue from prepaid calling cards packs is recognised on the actual usage basis.

Telemedia Services

Service revenue is recognised on completion of provision of services. Revenue is recognised when no significant uncertainty exists regarding realisation of consideration. Service Revenue includes access charges recovered from other operators, and is net of discounts and waivers.

Enterprise Services

Revenue, net of discount, from sale of goods is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realisation of consideration. Revenue on account of bandwidth service is recognised on time proportion basis in accordance with the related contracts.

Service Revenue includes access charges recovered from other operators, revenues from registration, installation and provision of Internet and Satellite services. Registration fees is recognised at the time of dispatch and invoicing of Start up Kits. Installation charges are recognised as revenue on satisfactory completion of installation of hardware and service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of Internet and Satellite services.

Activation Income

Activation revenue and related direct activation costs, not exceeding the activation revenue, are deferred and amortised over the related estimated customer relationship period, as derived from the estimated customer churn period.

Investing and other Activities

Income on account of interest and other activities are recognised on an accrual basis. Dividends are accounted for when the right to receive the payment is established.

Provision for doubtful debts

The Company provides for amounts outstanding for more than 90 days in case of active subscribers, roaming receivables, receivables for data services and for entire outstanding from deactivated customers net off security deposits or in specific cases where management is of the view that the amounts from certain customers are not recoverable.

For receivables due from the other operators on account of their National Long Distance (NLD) and International Long Distance (ILD) traffic for voice and Interconnect Usage charges (IUC), the Company provides for amounts outstanding for more than 120 days from the date of billing, net of any amounts payable to the operators or in specific cases where management is of the view that the amounts from these operators are not recoverable.

Accrued Billing revenue

Accrued billing revenue represent revenue recognized in respect of Mobile, Broadband and Telephone, and Long Distance services provided 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.

6. **INVENTORY**

Inventory is valued at the lower of cost and net realisable value. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Company provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

7. **INVESTMENT**

Current Investments are valued at lower of cost and fair market value determined on individual basis.

Long-term Investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

8. **LICENSE FEES – REVENUE SHARE**

With effect from August 1, 1999, the variable Licence fee computed at prescribed rates of revenue share is charged to the Profit and Loss Account in the year in which the related revenues are recognised. Revenue for this purpose identified as adjusted gross revenue as per the respective license agreements.

9. **FOREIGN CURRENCY TRANSLATION, ACCOUNTING FOR FORWARD CONTRACTS AND DERIVATIVES**

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise as mentioned below.

Forward Exchange Contracts covered under AS 11, 'The Effects of Changes in Foreign Exchange Rates'

Exchange differences on forward exchange contracts and plain vanilla currency options for establishing the amount of reporting currency and not intended for trading and speculation purposes, are recognised in the Profit and Loss account in the year in the which the exchange rate changes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

Exchange difference on forward contracts which are taken to establish the amount other than the reporting currency arising due to the difference between forward rate available at the reporting date for the remaining maturity period and the contracted forward rate (or the forward rate last used to measure a gain or loss on the contract for an earlier period) are recognised in the profit and loss account for the year.

Other Derivative Instruments, not in the nature of AS 11, 'The Effects of Changes in Foreign Exchange Rates'

The Company enters into various foreign currency option contracts and interest rate swap contracts that are not in the nature of forward contracts designated under AS 11 as such and contracts that are not entered to establish the amount of the reporting currency required or available at the settlement date of a transaction; to hedge its risks with respect to foreign currency fluctuations and interest rate exposure arising out of import of capital goods using foreign currency loan. At every year end all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognised in the profit and loss account, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognised by the Company, keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any reduction to fair values and any reversals of such reductions are included in profit and loss statement of the year.

Embedded Derivative Instruments

The Company occasionally enters into contracts that do not in their entirety meet the definition of a derivative instrument that may contain "embedded" derivative instruments – implicit or explicit terms that affect some or all of the cash flow or the value of other exchanges required by the contract in a manner similar to a derivative instrument. The Company assesses whether the economic characteristics and risks of the embedded derivative are clearly and closely related to the economic characteristics and risks of the remaining component of the host contract and whether a separate, non-embedded instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. When it is determined that (1) the embedded derivative possesses economic characteristics and risks that are not clearly and closely related to the economic characteristics and risks of the host contract and (2) a separate, standalone instrument with the same terms would qualify as a derivative instrument, the embedded derivative is separated from the host contract, carried at fair value as a trading or non-hedging derivative instrument. At every year end, all outstanding embedded derivative instruments are fair valued on mark-to-market basis and any loss on valuation is recognised in the profit and loss account for the year. Any reduction in mark to market valuations and reversals of such reductions are included in profit and loss statement of the year.

Translation of Integral and Non-Integral Foreign Operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expense items are translated at exchange rate at the date of transaction for the year; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

Foreign exchange contracts for trading and speculation purpose

Foreign exchange contracts intended for trading and/or speculation are fair valued on a mark-to-market basis and any gain or loss on such valuation is recognised in the Profit and Loss Account for the year.

10. EMPLOYEE BENEFITS

(a) Short-term employee benefits are recognised in the year during which the services have been rendered.

(b) All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account. The Company has no further obligations under these plans beyond its monthly contributions.

(c) Some employees of the Company are entitled to superannuation, a defined contribution plan which is administered through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recorded as an expense as incurred.

(d) Short-term compensated absences are provided for, based on estimates. Long-term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of each period/year.

(e) The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations as per the Projected Unit Credit Method at the end of each period/year in accordance with Accounting Standard 15, "Employee Benefits." The Company makes annual contributions to the LIC for the Gratuity Plan in respect of employees at certain circles.

(f) Other Long-term employee benefits are provided based on actuarial valuation made at the end of each period/ year. The actuarial valuation is done as per projected unit credit method.

(g) Actuarial gains and losses are recognised as and when incurred.

11. PRE-OPERATIVE EXPENDITURE

Expenditure incurred by the Company from the date of acquisition of license for a new circle or from the date of start-up of new venture or business, up to the date of commencement of commercial operations of the circle or the new venture or business, not directly attributable to fixed assets are charged to the Profit and Loss account in the year in which such expenditure is incurred.

12. LEASES

a) Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease Rentals with respect to assets taken on 'Operating Lease' are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are classified as finance lease. Assets acquired on 'Finance Lease' which transfer risk and rewards of ownership to the Company are capitalised as assets by the Company at the lower of fair value of the leased property or the present value of the minimum lease payments.

Amortisation of capitalised leased assets is computed on the Straight Line method over the useful life of the assets. Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

b) Where the Company is the lessor

Lease income in respect of 'Operating Lease' is recognised in the Profit and Loss Account on a straight-line basis over the lease term.

Finance leases as a dealer lessor are recognized as a sale transaction in the Profit and Loss Account and are treated as other outright sales.

Finance Income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment of the lessor outstanding in respect of the lease.

c) Initial direct costs are expensed in the Profit and Loss Account at the inception of the lease.

13. TAXATION

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised and reviewed at each balance sheet date, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

14. BORROWING COST

Borrowing cost attributable to the acquisition or construction of fixed assets which takes substantial period of time to get ready for its intended use is capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred. The interest cost incurred for funding a qualifying asset during the acquisition/construction period is capitalised based on actual investment in the asset at the average interest rate.

15. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

16. **SEGMENTAL REPORTING**

a) Primary Segment

The Company operates in three primary business segments viz. Mobile Services, Telemedia Services and Enterprise Services.

b) Secondary Segment

The Company has operations within India as well as in other countries through entities located outside India. The operations in India constitute the major part, which is the only reportable segment, the remaining portion being attributable to others.

17. **EARNINGS PER SHARE**

The earnings considered in ascertaining the Company's Earnings Per Share ('EPS') comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for events of share splits/bonus issue post year end and accordingly, the EPS is restated for all periods presented in these financial statements. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti dilutive.

The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

18. **ASSET RETIREMENT OBLIGATIONS (ARO)**

Provision for ARO is based on past experience and technical estimates.

19. **PROVISIONS**

Provisions are recognised when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

20. **EMPLOYEE STOCK OPTIONS OUTSTANDING**

Employee Stock options outstanding are valued using Black Scholes/ Monte Carlo/ Lattice valuation option – pricing model and the fair value is recognised as an expense over the period in which the options vest. The difference between the actual purchase cost of shares issued upon exercise of options and the sum of fair value of the option and exercise price is adjusted against General Reserve.

21. **CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents in the Balance Sheet comprise cash in hand and at bank and short-term investments.

Schedules Annexed to and forming part of Financial Statements

SCHEDULE : 21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

1. **Background**

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

2. **New operations**

   a) During the quarter ended June 30, 2010, the Company has won the bids for spectrum for Third Generation of Wireless Technologies (3G) and Broadband & Wireless Access (BWA) Licence for 11 circles and 4 circles respectively. The Company has paid ₹ 119,322 Mn towards 3G spectrum fees and ₹ 33,144 Mn towards BWA spectrum fees. Upon the launch of 3G services in respective circles, the spectrum fees has been capitalised and balance been disclosed under Capital Work in Progress pending commencement of such services.

   Spectrum fees for 3G and BWA is partly financed through debts from various banks. The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exist any Security Interest on any of its assets without prior written consent of the Lenders except in certain agreed circumstances.

   b) On April 1, 2010, Airtel M Commerce Services Limited (AMSL) has been incorporated as a wholly owned subsidiary of Bharti Airtel Limited with an investment of ₹ 20 Mn. During this year, Bharti Airtel Services Limited, the wholly owned subsidiary of Bharti Airtel Limited has invested ₹ 20 Mn for 50% investment in AMSL. During the year, AMSL has launched its M-commerce services w.e.f. January 21, 2011.

   c) On April 5, 2010, Bharti Airtel (Japan) Kabushiki Kaisha, Japan has been incorporated as a step down subsidiary of Bharti Airtel Limited (through Bharti Airtel Holdings (Singapore) Pte Limited, Singapore, a wholly owned subsidiary of the Company). Bharti Airtel Holdings (Singapore) Pte Limited has invested Yen 50,000 towards subscription of 1 share of Yen 50,000 in Bharti Airtel (Japan) Kabushiki Kaisha.

   d) On April 6, 2010, Bharti Airtel International (Mauritius) Limited has been incorporated as a wholly owned subsidiary of Bharti Airtel Limited with an investment of ₹ 1,646 Mn. The Company has further invested ₹ 2,076 Mn, ₹ 779 Mn and ₹ 135 Mn in the quarters ended September 30, 2010, December 31, 2010 and March 31, 2011 respectively for additional equity shares.

   e) On May 17, 2010, the Company acquired additional 206,000 equity shares of USD 1 each in its subsidiary, Bharti International (Singapore) Pte Limited with an investment of ₹ 9 Mn. The Company has further invested ₹ 481 Mn in the quarter ended December 31, 2010 for additional 10,770,000 equity shares of USD 1 each. During the quarter ended March 31, 2011 the Company has further invested ₹ 140 Mn for additional 3,060,000 equity shares of USD 1 each. The Company currently holds 50.85% of the total shareholding as on March 31, 2011.

   f) On May 18, 2010, the Company subscribed additional 18,535 equity shares of Euro 1 each in its subsidiary, Bharti Airtel International (Netherlands) B.V for ₹ 1 Mn. Consequently, the total equity interest of the Company in Bharti Airtel International (Netherlands) B.V has increased to 51%.

   g) On June 9, 2010, Bharti Airtel (France) SAS, France has been incorporated as a step down subsidiary of Bharti Airtel Limited (through Bharti Airtel Holdings (Singapore) Pte Limited, Singapore, a wholly owned subsidiary of the Company). Bharti Airtel Holdings (Singapore) Pte. Limited has invested Euro 10,000 towards subscription of 10,000 share of Euro 1 each of Bharti Airtel (France) SAS.

   h) Effective July 6, 2010, Bharti Airtel (Singapore) Private Limited has been merged with Bharti International (Singapore) Pte Limited under the Short Form Amalgamation provisions covered under section 215D of Singapore Companies Act. Upon amalgamation the entire share capital of the amalgamating entity is deemed cancelled and all the assets and liabilities stand transferred to the amalgamated entity as on the date of amalgamation. The Company holds 51.10% equity of the amalgamated entity as on that date. Pursuant to this amalgamation, the cost of investment of the Company in Bharti Airtel (Singapore) Private Ltd. as on the date of amalgamation has been disclosed as the cost of investment in Bharti International (Singapore) Pte Limited.

   i) Pursuant to a share sale agreement dated March 30, 2010, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company has acquired 100% equity stake in Bharti Airtel Africa B.V. (earlier known as Zain Africa B.V.) for a total consideration of USD 9 Bn. Accordingly, Bharti Airtel Africa B.V. has become a wholly owned subsidiary of the Company with effect from June 8, 2010. The above acquisition is financed through loans taken from various banks. The loan agreement contains a negative pledge covenant that prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any Security Interest on any of its assets without prior written consent of the Majority Lenders except in certain agreed circumstances.

   j) On August 27, 2010, Bharti Airtel Africa B.V., Africa, a wholly owned subsidiary of Bharti Airtel Limited (through Bharti Airtel International (Netherlands) B.V.), acquired 2,500,000 ordinary shares representing 100% equity stake of Indian Ocean Telecom Limited, Jersey that holds the entire share capital of Telecom Seychelles Limited, Seychelles for a total consideration of USD 62 Mn.

Consequent upon acquisition of equity shares, Indian Ocean Telecom Limited, Jersey and Telecom Seychelles Limited, Seychelles have ultimately become step-down subsidiaries of Bharti Airtel Limited effective August 27, 2010.

k) During the year, the Company has further invested ₹ 227 Mn in it's wholly owned subsidiary Bharti Airtel Holdings (Singapore) Pte. Limited for additional equity shares.

l) On September 27, 2010, Zap Trust Burkina Faso S.A. has been incorporated as wholly owned subsidiary of Zap Mobile Commerce B.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.) with issued share capital of CFA 10,000,000 divided into 1,000 shares of CFA 10,000 each fully paid.

m) On September 28, 2010, Bharti Airtel DTH Holdings B.V. has been incorporated, as wholly owned subsidiary of Bharti Airtel Africa BV. with issued share capital of EUR 18,000, divided into 18,000 shares of EUR 1, each fully paid.

n) On October 5, 2010, Africa Towers N.V. has been incorporated, as wholly owned subsidiary of Bharti Airtel International (Netherlands) BV, with issued share capital of EUR 45,000, divided into 45,000 shares of EUR 1, each fully paid.

o) On October 7, 2010, Zap Trust Company Uganda Limited was incorporated jointly by Zap Mobile Commerce BV, a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV, and Zap Holdings BV, a wholly owned subsidiary of Zap Mobile Commerce BV, with an authorised capital of 2,000,000 Uganda Shillings divided into 2,000 Ordinary shares of each 1,000 Uganda Shillings. Upon incorporation, each incorporator subscribed for 1 share.

p) On October 26, 2010, Mobile Commerce Gabon S.A. has been incorporated as wholly owned subsidiary of Zap Mobile Commerce B.V. a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV. The newly incorporated company has an authorised capital of 1,000 Ordinary shares of 10,000 CFA Francs each.

q) On November 2, 2010, Airtel DTH Services Ghana Limited has been incorporated as wholly owned subsidiary of Bharti Airtel DTH Holdings BV. a wholly owned subsidiary of Bharti Airtel Africa BV. The newly incorporated company has an issued capital of GHc 80,000, divided into 10,000 shares, all fully paid-up in cash.

r) On November 11, 2010, Zap Trust Company Tanzania Limited has been incorporated jointly by Zap Mobile Commerce BV a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV and Zap Holdings BV, a wholly owned subsidiary of Zap Mobile Commerce BV. The newly incorporated company is a private limited company in which, Zap Mobile Commerce BV currently holds 999 shares and Zap Holdings BV holds 1 share, each of 1,000 Tanzania Shillings.

s) On November 26, 2010, Airtel DTH Services Malawi Limited has been incorporated as wholly owned subsidiary of Bharti Airtel DTH Holdings BV, a wholly owned subsidiary of Bharti Airtel Africa BV. The Airtel DTH Services Malawi Limited is a private limited company with 10,000,000 ordinary shares of one kwacha (K1) each.

t) On November 26, 2010, Airtel DTH Services Uganda Limited was incorporated as wholly owned subsidiary of Bharti Airtel DTH Holdings BV, a wholly owned subsidiary of Bharti Airtel Africa BV. The Airtel DTH Services Uganda Limited is a private limited company and has an authorised capital of Uganda Shillings 2,000,000, divided into 2,000 ordinary shares of Uganda Shillings 1,000 each.

u) On November 26, 2010, Airtel DTH Services Congo S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V.). Bharti Airtel DTH holdings B.V., had invested CFA 10,000,000 in newly incorporated company.

v) On November 29, 2010, Airtel DTH Services Niger S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested CFA 10,000,000 in newly incorporated company.

w) On December 2, 2010, Airtel Towers (Ghana) Limited has been incorporated as wholly owned subsidiary of Africa Towers N.V. a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV with an issued capital amounts to GHc 80,000, divided into 10,000 shares, all fully paid-up in cash.

x) On December 15, 2010, Malawi Towers Limited has been incorporated as a wholly owned subsidiary of Africa Towers NV a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV. Malawi Towers Limited is a private limited company with 10,000,000 ordinary shares of 1 Kwacha (K1) each.

y) On December 30, 2010, Uganda Towers Limited has been incorporated as a wholly owned subsidiary of Africa Towers NV, a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV, with 2,000 ordinary shares of Uganda Shillings 1,000 each.

z) On January 18, 2011, Airtel DTH Service (K) Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested Kenyan Shillings 99,000 in newly incorporated company for 99% of holding.

aa) On January 19, 2011, Airtel DTH Services (SL) Limited had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested le 10,000,000 in newly incorporated company.

ab) On January 27, 2011, Airtel DTH Services Tanzania Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested Tanzanian Shillings 999,000 in newly incorporated company for 99.9% of holding.

ac) On January 27, 2011, Airtel DTH Services Nigeria Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested 9,999,999 Nigerian Naira in newly incorporated company.

ad) On January 31, 2011, Tchad Towers S.A. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested CFA 10,000,000 in the newly incorporated company.

ae) On February 2, 2011, Airtel Towers (SL) Company Ltd. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested Sierra Leone Leones 10,000,000 in the newly incorporated company.

af) On February 7, 2011, Zambia Towers Ltd. had been incorporated by Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested 4,999,999 Zambian Kwacha in the newly incorporated company.

ag) On February 11, 2011, Bharti DTH Services Zambia Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested 4,999,999 Zambian Kwacha in newly incorporated company.

ah) On February 18, 2011, Airtel DTH Services Tchad S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested CFA 10,000,000 in newly incorporated company.

ai) On March 7, 2011, Congo Towers S.A. had been incorporated as direct subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested CFA 10,000,000 in the newly incorporated company.

aj) On March 7, 2011, Towers Support Nigeria Ltd. had been incorporated. The newly incorporated company is jointly controlled by Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV) and Bharti Airtel International (Netherlands) B.V. Africa Towers N.V. had invested Nigerian Naira 10,000,000 in the newly incorporated company.

ak) On March 15, 2011, Airtel DTH Services Madagascar S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested Madagascar Ariary (MGA) 2,000,000 in the newly incorporated company.

al) On March 15, 2011, Madagascar Towers S.A. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested Madagascar Ariary (MGA) 2,000,000 in the newly incorporated company.

am) On March 15, 2011, Tanzania Towers S.A. had been incorporated as a subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested Tanzania Shillings 999,000 in the newly incorporated company.

an) On March 16, 2011, Kenya Towers S.A. had been incorporated by Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested Kenya Shillings 99,000 for 99% of holding in the newly incorporated company.

ao) On March 29, 2011, Niger Towers S.A. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested CFA 10,000,000 in the newly incorporated company.

ap) On March 30, 2011, Burkina Faso Towers S.A. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). Africa Towers N.V. had invested CFA 10,000,000 in the newly incorporated company.

aq) On March 30, 2011, Airtel DTH Service Burkina Faso S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). Bharti Airtel DTH holdings B.V., had invested CFA 10,000,000 in newly incorporated company.

ar) On January 12, 2011, the Company entered into a Joint Venture (JV) agreement with the State Bank of India with equity participation of SBI and Bharti Airtel in the ratio of 51:49 to offer banking products and services. The formation of the JV company will be considered once the required approvals are in place.

3. Contingent liabilities

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

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

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

(₹ Millions)

	Particulars	As at March 31, 2011	As at March 31, 2010
(i)	Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
	-Sales Tax (see 3 (c) below)	**3,906**	434
	-Service Tax (see 3 (d) below)	**2,061**	2,022
	-Income Tax (see 3 (e) below)	**6,570**	5,618
	-Customs Duty (see 3 (f) below)	**2,198**	2,198
	-Stamp Duty	**353**	353
	-Entry Tax (see 3 (g) below)	**2,521**	1,956
	-Municipal Taxes	**1**	1
	-Access Charges/Port Charges (see 3 (h) below)	**3,710**	1,282
	-DoT demands (including 3 (i) below)	**1,072**	711
	-Other miscellaneous demands	**114**	83
(ii)	Claims under legal cases including arbitration matters (including 3 (j) below)	**410**	373
		22,916	15,033

Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable.

c) **Sales tax**

The claims for sales tax as at March 31, 2011 comprised the cases relating to:

i. the appropriateness of the declarations made by the Company under the relevant sales tax legislations which was primarily procedural in nature;

ii. the applicable sales tax on disposals of certain property and equipment items;

iii. lease circuit/broadband connectivity services;

iv. the applicability of sales tax on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;

v. imposition of VAT on sale of artificially created light energy; and

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

d) **Service tax**

The service tax demands as at March 31, 2011 relate to:

i. cenvat claimed on tower and related material,

ii. levy of service tax on SIM cards,

iii. cenvat credit disallowed for procedural lapses and inadmissibility of credit; and

iv. disallowance of cenvat credit used in excess of 20% limit.

e) **Income tax demand under appeal**

Income tax demands under appeal mainly included the appeals filed by the Company before various appellate authorities against the disallowance of certain expenses being claimed under tax by income tax authorities and non deduction of tax at source with respect to dealers/ distributor's payments. The management believes that, based on legal advice, it is probable that its tax positions will be sustained and accordingly, recognition of a reserve for those tax positions will not be appropriate.

f) **Custom duty**

The custom authorities, in some states, demanded ₹ 2,198 Mn as at March 31, 2011 (March 31, 2010 - ₹ 2,198 Mn) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be an operating software exempt from any customs duty. The management is of the view that the probability of the claims being successful is remote.

g) **Entry tax**

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is *ultra vires* the constitution. Classification issues have also been raised whereby, in view of the Company, the material proposed to be taxed not covered under the specific category. The amount under dispute as at March 31, 2011 was ₹ 2,521 Mn (March 31, 2010 - ₹ 1,956 Mn) included in Note 3 (b) above.

h) **Access charges (Interconnect Usage Charges)/Port charges**

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the guidelines issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the guidelines would need to be paid by the Company.

The management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable. Accordingly, no amounts have been accrued although some have been paid under protest.

The Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010 Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish CDRs to TRAI. The CDRs have been furnished to TRAI. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

In 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal , TDSAT passed it's judgment in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

i) **DoT Demands**

i) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its rollout obligations. DoT has reviewed and revised the criteria now and the Company is not expecting any penalty on this account.

ii) DoT demands also include demands raised for contentious matters relating to computation of license fees and spectrum charges

j) **Others**

Others mainly include disputed demands for consumption tax, disputes before consumer forum and with respect to labour cases and a potential claim for liquidated damages.

The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable. No amounts have been paid or accrued towards these demands.

k) **Bharti Mobinet Limited ('BMNL') litigation**

Bharti Airtel is currently in litigation with DSS Enterprises Private Limited (DSS) (0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) for an alleged claim for specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to Bharti Airtel. The case filed by DSS to enforce the sale of equity shares before the Delhi High Court had been transferred to District Court and was pending consideration of the Additional District Judge. This suit was dismissed in default on the ground of non-prosecution. DSS had filed an application for restoration of the suit but has subsequently withdrawn the restoration application. In respect of the same transaction, Crystal Technologies Private Limited ('Crystal'), an intermediary, has initiated arbitration proceedings against the Company demanding ₹ 195 Mn regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to Bharti Airtel. The Ld. Arbitrator has partly allowed the award for a sum of ₹ 31 Mn, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) included in Note 3 (b) above and a further 18% interest from date of award to date of payment. The Company has filed an appeal against the said award. The matter is listed for arguments on July 13, 2011.

DSS has also filed a suit against a previous shareholder of BMNL and Bharti Airtel challenging the transfer of shares by that shareholder to Bharti Airtel. In this matter the judgment is reserved. DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay has been granted by the Delhi High Court with respect to the commencement of arbitration proceedings. The stay has been made absolute. The said suit is listed for final hearing on May 25, 2011. Further against the above Order of Single Judge making the stay in favour of Bharti absolute, DSS filed an appeal before the Division Bench of Delhi High Court. The matter has been admitted, whereafter the matter reached for arguments and was dismissed on account of non-prosecution.

The liability, if any, of Bharti Airtel arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with Bharti Airtel, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of ₹ 10 each (5,444,250 equity shares of ₹ 5 each post split) bringing the share of DSS in Bharti Airtel down to 0.14% as at March 31, 2011.

The management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable. Accordingly, no amounts have been accrued or paid in regard to this dispute.

4. **Export Obligation**

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

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

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

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

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

6. **Employee benefits**

a) During the year, the Company has recognised the following amounts in the Profit and Loss Account:

i) **Defined Contribution Plans**

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Employer's Contribution to Provident Fund *@	528	478
Employer's Contribution to Super annuation Fund #	0.1	0.1
Employer's Contribution to ESI *	1	0.1

* Included in Contribution to Provident and Other Funds (Refer Schedule 15)

\# Included in Salaries, Wages and Bonus (Refer Schedule 15)

@ Includes Contribution to Defined Contribution Plan for Key Managerial Personnel (Refer Note 15 below)

ii) **Defined Benefit Plans**

For the Year ended March 31, 2011:

(₹ Millions)

Particulars	Gratuity#			Leave Encashment#
	Funded	Unfunded	Total	Unfunded
Current service cost	108	83	191	147
Interest cost	48	12	60	40
Expected Return on plan assets	(6)	-	(6)	-
Actuarial (gain)/loss	12	107	119	112
Net gratuity/Leave encashment cost	**162**	**202**	**364**	**299**

For the year ended March 31, 2010:

(₹ Millions)

Particulars	Gratuity#			Leave Encashment#
	Funded	Unfunded	Total	Unfunded
Current service cost	96	69	166	136
Interest cost	38	12	49	36
Expected Return on plan assets	(6)	–	(6)	–
Actuarial (gain)/loss	8	130	138	127
Net gratuity/Leave encashment cost	**136**	**211**	**347**	**299**

\# Included in Salaries, Wages and Bonus (Refer Schedule 15)

b) The assumptions used to determine the benefit obligations are as follows:

For the Year ended March 31, 2011:

Particulars	Gratuity	Leave Encashment
Discount Rate	7.50%	7.50%
Expected Rate of increase in Compensation levels	9.00%	9.00%
Expected Rate of Return on Plan Assets	7.50%	N.A.
Expected Average remaining working lives of employees (years)	24.22 years	24.22 years

For the Year ended March 31, 2010:

Particulars	Gratuity	Leave Encashment
Discount Rate	7.50%	7.50%
Expected Rate of increase in Compensation levels	8.00%	8.00%
Expected Rate of Return on Plan Assets	7.50%	N.A.
Expected Average remaining working lives of employees (years)	24.71 years	24.71 years

c) Reconciliation of opening and closing balances of benefit obligations and plan assets is as follows:

For the Year ended March 31, 2011:

(₹ Millions)

Particulars	Gratuity			Leave Encashment
	Funded	Unfunded	Total	Unfunded
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	638	162	800	534
Current service cost	108	83	191	147
Interest cost	48	12	60	40
Benefits paid	-	(169)	(169)	(226)
Actuarial (gain)/loss	5	108	113	112
Projected benefit obligation at year end	**799**	**196**	**995**	**607**
Change in plan assets :				
Fair value of plan assets at beginning of year	76	-	76	-
Expected return on plan assets	6	-	6	-
Actuarial gain/(loss)	(6)	-	(6)	-
Employer contribution	-	-	-	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at year end	**76**	**-**	**76**	**-**
Net funded status of the plan	**(723)**	**(196)**	**(919)**	**(607)**
Net amount recognised	**(723)**	**(196)**	**(919)**	**(607)**
Actual Return on Plan Assets	**-**	**NA**	**-**	**NA**

For the Year ended March 31, 2010:

(₹ Millions)

Particulars	Gratuity			Leave Encashment
	Funded	Unfunded	Total	Unfunded
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	502	156	658	478
Current service cost	96	69	166	136
Interest cost	38	12	49	36
Benefits paid	-	(205)	(205)	(243)
Actuarial (gain)/loss	2	130	132	127
Projected benefit obligation at year end	**638**	**162**	**800**	**534**
Change in plan assets:				
Fair value of plan assets at beginning of year	76	-	76	-
Expected return on plan assets	6	-	6	-
Actuarial gain/(loss)	(6)	-	(6)	-
Employer contribution	-	-	-	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at year end	**76**	**-**	**76**	**-**
Net funded status of the plan	**(562)**	**(162)**	**(724)**	**(534)**
Net amount recognised	**(562)**	**(162)**	**(724)**	**(534)**
Actual Return on Plan Assets	**-**	**NA**	**-**	**NA**

d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by the LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.

e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) The Group made annual contributions to the LIC of an amount advised by the LIC. The Group was not informed by LIC of the investments made by the LIC or the break-down of plan assets by investment type.

g) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'

Particulars	Gratuity				Leave Encashment			
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined benefit obligation	995	800	658	446	607	534	478	465
Plan assets	76	76	76	65	-	-	-	-
Surplus/(deficit)	(919)	(724)	(582)	(380)	(607)	(534)	(478)	(465)
Experience adjustments on plan liabilities	(87)	(130)	(82)	(40)	(97)	(106)	(16)	(68)
Experience adjustments on plan assets	(6)	(6)	(5)	(5)	-	-	-	-

h) Movement in other long-term employee benefits :

i) Movement in provision for Deferred Incentive Plan

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening Balance	609	470
Addition during the year	128	672
Less: Utilised during the year	(663)	(533)
Closing Balance	**74**	**609**

ii) Long-term service award provided by the Company as at March 31, 2011 is ₹ 97 Mn (March 31, 2010 ₹ 115 Mn).

7. **Investment in Joint Ventures/Jointly owned assets:**

Jointly owned assets

a) The Company has participated in various consortiums towards supply, construction, maintenance and providing long-term technical support with regards to following Cable Systems. The details of the same are as follows:

For the Year ended March 31, 2011

Cable Project	Total Contribution (₹ in Mn)	Capital Work-in-Progress (₹ in Mn)	WDV As at March 31, 2011 (₹ in Mn)	Share %
SMW-4	3,400	891	1,733	11.19%
AAG - Project	1,804	–	1,637	7.08%
EASSY - Project	119	–	114	1.00%
EIG - Project	2,412	–	2,396	7.30%
IMEWE - Project	2,800	–	2,744	12.79%
Unity - Project - Common and Others	1,237	–	1,170	10.00%
Unity - Project - Light Up	149	–	141	13.91%

For the Year ended March 31, 2010

Cable Project	Total Contribution (₹ in Mn)	Capital Work-in-Progress (₹ in Mn)	WDV As at March 31, 2010 (₹ in Mn)	Share %
SMW-4	2,514	-	1,917	11.19%
AAG - Project	1,804	-	1,757	7.08%
EASSY - Project	108	108	-	1.00%
EIG - Project	1,387	1,387	-	7.09%
IMEWE - Project	2,037	2,037	-	12.79%
Unity - Project - Common and Others	1,197	61	1,135	10.00%
Unity - Project - Light Up	149	-	149	13.91%

Joint Ventures Entity

b) The Company entered into a Joint Venture with 9 other overseas mobile operators to form a regional alliance called the Bridge Mobile Alliance, incorporated in Singapore as Bridge Mobile Pte Limited. The principal activity of the venture is creating and developing regional mobile services and managing the Bridge Mobile Alliance Programme. The Company has invested USD 2.2 Mn, amounting to ₹ 92 Mn, in 2.2 Mn ordinary shares of USD 1 each which is equivalent to an ownership interest of 10.00% as at March 31, 2011 (March 31, 2010: USD 2.2 Mn, ₹ 92 Mn, ownership interest 10.00%)

c) The following represent the Company's share of assets and liabilities, and income and results of the joint venture.

(₹ Millions)

Particulars	As at March 31, 2011 (Unaudited)	As at March 31, 2010 (Audited)
Balance Sheet		
Reserve and surplus	(33)	(34)
Fixed assets (net)	3	1
Investments	-	-
Current assets	-	-
Sundry Debtors	10	5
Cash and bank	71	70
Loans and advances	-	-
Current liabilities and provisions	14	7

(₹ Millions)

Particulars	For the year ended March 31, 2011 (Unaudited)	For the year ended March 31, 2010 (Audited)
Profit and Loss Account		
Service revenue	18	18
Other income	-	-
Expenses	-	-
Operating expenses	13	13
Selling, general and administration expenses	4	5
Finance expenses/(income)	(2)	(1)
Depreciation	1	9
Profit/(Loss)	1	(7)

8. ₹ 2,755 Mn (March 31, 2010 ₹ 2,823 Mn) included under Current Liabilities, represents refundable security deposits received from subscribers on activation of connections granted thereto and are repayable on disconnection, net of outstanding, if any and security deposits received from channel partners. Sundry debtors are secured to the extent of the amount outstanding against individual subscribers by way of security deposit received from them.

9. As at March 31, 2011, Bharti Airtel Employee's Welfare Trust ('the Trust') holds 2,964,623 equity shares (of face value of ₹ 5 each) (March 31, 2010 3,130,495 equity shares) of the Company, out of which 2,386,324 equity shares were issued at the rate of ₹ 25.68 per equity share fully paid up and 578,299 equity shares (of face value of ₹ 5 each) are purchased from open market at average rate of ₹ 358.26 per equity share.

10. Sales and Marketing under Schedule 16 includes goodwill waivers which are other than trade discount, of ₹ 220 Mn (March 31, 2010 ₹ 354 Mn).

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

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

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at LIBOR + 4.5% interest rate is ₹ 9,697 Mn (March 31, 2010 ₹ 6,184 Mn)

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.1% interest rate is ₹ 11,654 Mn (March 31, 2010 ₹ Nil)

(d) Loan and advance in the nature of loan given to Alcatel-Lucent Network Management Services India Limited at SBI PLR + 1% interest rate is ₹ 90 Mn (March 31, 2010 ₹ Nil)

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at 13% p.a. interest rate is ₹ 210 Mn (March 31, 2010 ₹ 100 Mn)

Refer Note 22 for maximum amount outstanding during the year for the above entities.

12. Particulars of securities charged against secured loans taken by the Company are as follows:

Particulars	Amount Outstanding (₹ Millions)	Security charges
11.70%, 50 Non-Convertible Redeemable Debentures of ₹ 10,000 thousand each balance repayment commencing from June, 2010	125	• First ranking *pari passu* charge on all present and future tangible movable and immovable assets owned by Bharti Airtel Limited including plant and machinery, office equipment, furniture and fixtures fittings, spares tools and accessories • All rights, titles, interests in the accounts, and monies deposited and investments made there from and in project documents, book debts and insurance policies.
Vehicle Loan From Bank	46	Secured by Hypothecation of Vehicles of the Company
Total	**171**	

Note: Following shall be excluded from Securities as mentioned above:-

a) Intellectual properties of Bharti Airtel.

b) Investment in subsidiaries of Bharti Airtel.

c) Licenses issued by DoT to the Company to provide various telecom services.

13. **Expenditure/Earnings in Foreign Currency (on accrual basis):**

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Expenditure		
On account of :		
Interest	768	981
Professional and Consultation Fees	50	198
Travelling (Net of Reimbursement)	(14)	4
Roaming Charges (Incl. Commission)	2,280	2,347
Membership and Subscription	24	31
Staff Training and Others	56	41
Network Services	1,336	757
Annual Maintenance	955	757
Bandwidth Charges	1,311	1,002
Access Charges	10,493	12,403
Software	14	34
Marketing	1,247	406
Upfront fee on borrowings	-	30
Content Charges	61	1
Others	-	27
Directors Commission and Sitting Fees	27	12
Agency Fees and Premium fees	74	81
Income Tax	83	37
Total	**18,765**	**19,149**
Earnings		
Service Revenue	17,935	17,744
Management Charges	221	200
Total	**18,156**	**17,944**

14. **CIF Value of Imports:**

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Capital Goods	19,105	15,472
Total	**19,105**	**15,472**

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

(₹ Millions)

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

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

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

(₹ Millions)

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

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

Remuneration paid/payable to directors from subsidiary companies

(₹ Millions)

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

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

16. **Auditors' Remuneration:**

(₹ Millions)

	Year ended March 31, 2011	Year ended March 31, 2010
- Audit Fee*	55	39
- As adviser, or in any other capacity, in respect of-		
(i) taxation matters;	-	0
(ii) company law matters;	Nil	Nil
(iii) management services; and	Nil	Nil
- in any other manner *	16	9
- Reimbursement of Expenses *	5	5
Total	76	53

*Excluding Service Tax

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

(₹ Millions)

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

18. **Quantitative Information**

2010-11

Particulars	Year ended March 31, 2010		Purchases 2010-11		Utilisation (Refer Note 3 and 5 below) 2010-11		Sales (Refer Note 4 below) 2010-11		Year ended March 31, 2011	
	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)
Simcards (Refer Note 1 below)	33,642,796	257	161,349,658	2,152	151,027,214	2,087	-	-	43,965,240	322
TDMA/PAMA VSATs Assembly sets (Refer Note 2 below)	-	8	-	169	-	22	-	208	-	20
Internet Modem, Handsets, Antennae & others (Refer Note 2 below)	-	7	-	192	-	171	-	26	-	2
		272		2,513		2,280		234		344

2009-10

Particulars	Year ended March 31, 2009		Purchases 2009-10		Utilisation (Refer Note 3 and 5 below) 2009-10		Sales (Refer Note 4 below) 2009-10		Year ended March 31, 2010	
	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)	Qty Nos.	Value (in Mn)
Handsets	27,847,184	602	121,618,363	2,114	115,822,752	2,459	-	-	33,642,795	257
Simcards (Refer Note 1 below)										
TDMA/PAMA VSATs Assembly sets (Refer Note 2 below)	-	7	-	121	-	25	-	111	-	8
Internet Modem, Handsets, Antennae & others (Refer Note 2 below)	-	13	-	552	-	450	-	123	-	7
		622		2,787		2,933		234		272

(1) Closing stock excludes value of simcards issued free of cost.
(2) The quantitative information for TDMA / PAMA VSATs, Assembly sets, Modems, handsets, antennas and others has not been given since they constitute voluminous small items.
(3) Utilisation includes internal utilisation.
(4) Includes deferred revenue recognised during the year with respect to sim cards.
(5) Utilisation includes Provision for diminution in value of closing stock ₹ (19) Mn (2009-10 ₹ 189 Mn)

19. The details of investments required as per Schedule VI of the Companies Act, 1956 are provided below.

a) Details of Investments held as at March 31, 2011

Particulars	As at March 31, 2011 (No. of Units)	As at March 31, 2011 (Cost) in Mn	As at March 31, 2010 (No. of Units)	As at March 31, 2010 (Cost) in Mn
Other than Trade (Un Quoted)				
6.02% Certificate of Deposit of ICICI Bank	-	-	10,500	1,046
6.00% Certificate of Deposit of ICICI Bank	-	-	5,000	497
6.00% Certificate of Deposit of Punjab National Bank	-	-	5,000	498
6.20% Certificate of Deposit of Bank of Baroda	-	-	5,000	499
6.25% Certificate of Deposit of Canara Bank	-	-	5,000	499
6.00% Certificate of Deposit of Canara Bank	-	-	4,000	398
6.10% Certificate of Deposit of Canara Bank	-	-	4,500	449
5.54% Certificate of Deposit of Canara Bank	-	-	5,000	497
6.25% Certificate of Deposit of State Bank of Hyderabad	-	-	2,500	250
Investment in India Innovation Fund	1	1	1	1
7.30% REC Secured Bonds	30	28	30	29
Total (A)		**29**		**4,663**
Other than trade (Unquoted) - Government Securities				
National Saving Certificate	18	2	18	2
Total (B)		**2**		**2**
Other than Trade (Quoted) - Mutual Funds				
TATA Floater Fund - Growth	-	-	340,049,908	4,576
DWS Ultra Short Term Fund - Institutional Growth	-	-	245,114,886	2,588
Kotak Floater Long Term - Growth	-	-	222,824,916	3,198
Kotak Floater Short Term - Growth	18,722,034	300	-	-
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	-	-	188,144,674	2,015
ICICI Prudential Ultra Short Term Plan - Super Premium Growth	-	-	152,219,277	1,555
Birla Sun Life Short Term Fund - Institutional Growth	-	-	91,692,646	1,000
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Plan - Growth	-	-	91,023,759	1,410
Reliance Medium Term Fund - Retail Plan - Growth Plan - Growth Option	-	-	87,566,726	1,650
Fidelity Ultra Short Term Debt Fund Super Institutional - Growth	-	-	86,298,136	988
JM Money Manager Fund - Super Plus Plan - Growth	-	-	77,564,636	986
Birla Sun Life Saving Fund Institutional - Growth	-	-	74,958,621	1,285
IDFC Money Manager Fund - Investment Plan Institutional Plan B - Growth	-	-	71,712,605	1,000
Principal Floating Rate Fund FMP-Insti. Option - Growth Plan	-	-	69,633,478	1,009
SBI SHF-Ultra Short Term - Institutional Plan - Growth	-	-	68,922,285	817
Religare Ultra Short Term Fund - Institutional Growth	-	-	68,687,454	848
Canara Robeco Treasury Advantage - Super Institutional Growth Fund	-	-	63,823,855	878
HDFC Liquid Fund - Premium Plan - Growth	-	-	57,369,840	1,048
UTI Fixed Income Inerval Fund - Monthly Interval Plan II - Institutional Growth Plan	-	-	50,000,000	500
JP Morgan India Treasury Fund - Super Institutional Growth Plan	-	-	49,360,963	575
Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth	-	-	49,037,841	575
Birla Sun Life Floating Rate - Long Term - INSTL - Growth	-	-	46,386,062	500
Kotak Quarterly Interval Plan Series 6 - Growth	-	-	43,624,307	500
DWS Insta Cash Fund - Super Institutional Plan Growth	-	-	41,956,073	500
UTI Fixed Income Interval Fund - Quarterly Plan Series III - Institutional Growth Plan	-	-	41,085,310	500
IDFC Cash Fund - Super Inst Plan C - Growth	4,199,910	50	40,238,152	450
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	-	-	38,485,826	750
Kotak Quarterly Interval Plan Series 3 - Growth	-	-	29,784,953	350
Sundaram BNP Paribas Ultra Short Term Fund Super Institutional Growth	-	-	29,125,111	360
Birla Sun Life Interval Income - INSTL - Quarterly - Series 1 - GROWTH	-	-	20,000,000	200
LIC MF Income Plus Fund - Growth Plan	-	-	18,009,478	221

Particulars	As at March 31, 2011 (No. of Units)	As at March 31, 2011 (Cost) in Mn	As at March 31, 2010 (No. of Units)	As at March 31, 2010 (Cost) in Mn
Kotak Liquid (Institutional Premium) - Growth	-	-	17,258,714	322
Birla Sun Life Cash Plus - Instl. Prem. - Growth	-	-	16,977,237	250
Canara Robeco Liquid Super Inst. Growth Fund	-	-	8,943,664	100
L&T Freedom Income STP - Inst. - Cum-Org	-	-	6,744,481	100
UTI Floating Rate Fund - Short Term Plan-Institutional Growth Option	-	-	3,265,972	3,356
UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	-	-	2,270,517	2,772
ICICI Prudential Liquid Plan Super Institutional Growth	-	-	1,668,870	227
Axis Treasury Advantage Fund - Institutional Growth	-	-	730,539	740
Axis Liquid Fund	-	-	-	-
UTI Money Market Mutual Fund - Institutional Growth Plan	-	-	242,424	250
Tata Liquid Super High Inv. Fund - Appreciation	193,368	350	211,995	360
Bharti Axa Treasury Advantage Fund - Institutional Plan - Growth	-	-	211,067	224
Templeton India Treasury Management Account Super Institutional Plan - Growth	-	-	-	-
Religare Liquid Fund - Super Institutional Growth	-	-	-	-
JM High Liquidity Fund - Super Institutional Plan - Growth	-	-	-	-
UTI Liquid Cash Plan Institutional - Growth Option	217,463	350	-	-
SBI Premier Liquid Fund - Super IP	-	-	-	-
Tata Liquid Super High Inv. Fund - Appreciation	-	-	-	-
Total (C)		**1,050**		**41,533**
TOTAL (A) + (B) + (C)		**1,081**		**46,198**

b) **Details of trade investments purchased and sold during the year:**

Trade Investment	Purchased during the year		Sale/Redemption	
	Units	(₹ in Mn)	Units	(₹ in Mn)
Investment in Subsidiaries				
Bharti Airtel (Singapore) Private Limited $	-	-	750,001	20
Bharti Airtel Holdings (Singapore) Pte. Limited @	27,642,771	227	-	-
Airtel M Commerce Services Limited %	1,999,994	20	-	-
Bharti Airtel International (Mauritius) Limited **	100,470,000	4,636		
Bharti International (Singapore) Pte. Ltd. # $	14,036,000	650	-	-
Bharti Airtel International (Netherlands) B.V.^	18,535	1	-	-
Total Trade Investment		**5,534**		**20**

$ Refer Note 2 (h) above
@ Refer Note 2 (k) above
% Refer Note 2 (b) above
** Refer Note 2 (d) above
# Refer Note 2 (e) above
^ Refer Note 2 (f) above

c) **Details of other than trade investments (unquoted) purchased and sold during the year:**

Particulars	Purchased during the year		Sale/Redemption	
	Units	(₹ in Mn)	Units	(₹ in Mn)
Other than Trade (Un Quoted)				
6.02% Certificate of Deposit of ICICI Bank	-	-	10,500	1,050
6.00% Certificate of Deposit of ICICI Bank	-	-	5,000	500
6.00% Certificate of Deposit of Punjab National Bank	-	-	5,000	500
6.20% Certificate of Deposit of Bank of Baroda	-	-	5,000	500
6.25% Certificate of Deposit of Canara Bank	-	-	5,000	500
6.00% Certificate of Deposit of Canara Bank	-	-	4,000	400
6.10% Certificate of Deposit of Canara Bank	-	-	4,500	450
5.54% Certificate of Deposit of Canara Bank	-	-	5,000	500
6.25% Certificate of Deposit of State Bank of Hyderabad	-	-	2,500	250
7.45% Certificate of Deposit of Punjab National Bank	5,000	499	5,000	500
8.75% Certificate of Deposit of IDBI Bank	7,500	748	7,500	750
7.25% Certificate of Deposit of State Bank of India	5,000	498	5,000	500
Total	**17,500**	**1,745**	**64,000**	**6,400**

d) In terms of the approval granted by the Central Government vide its letter No.46/106/2011-CL-III dated April 18, 2011 under Section 211(4) of the Companies Act, 1956, the Company has been exempted from the requirement of the disclosure of the movement relating to purchase and sale of other than trade investments (quoted).

20. The Company uses various premises on lease to install the equipment. A provision is recognized for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with AS–29 Provisions, Contingent liabilities and Contingent Assets' notified under Companies Accounting Standards Rules, 2006 ('as amended') , is given below:

Site Restoration Cost:

(₹ Millions)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening Balance	162	277
Addition during the year	3	65
Adjustment during the year	-	(180)
Closing Balance	**165**	**162**

21. **Information about Business Segments - Primary**

Segment Definitions:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Mobile Services - These services cover telecom services provided through cellular mobile technology wherein a subscriber is connected to the network through wireless equipment. The subscriber can freely roam around anywhere and stay connected wherever the wireless network coverage is available. Effective April 1, 2010, the Company has disclosed the captive national long distance network services in Mobility segment. In the earlier periods these services were disclosed under Enterprise Services segment and since it primarily provides connectivity to the mobile business services, the Company believes that the change would result in a more appropriate presentation of events and transactions in the financial statements of the Company.

Telemedia Services - These services are provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment (i.e. switch) to subscriber's premises.

Enterprise Services - These services cover domestic and international long distance services and internet and broadband services. Long distance services are intermediary services provided to third party service providers of cellular or fixed line services. Internet and broadband services are used to provide bandwidth and other network solutions to corporate customers. This segment previously included the captive long distance networks which has now been reported under Mobile Services.

Other operations - These comprise the unallocated revenues, profits/(losses), assets and liabilities of the Company, none of which constitutes a separately reportable segment. The corporate headquarters' expenses are not charged to individual segments.

For the year ended March 31, 2011

(₹ Millions)

Reportable Segments	Mobile Services	Telemedia Services	Enterprises Services	Others	Eliminations	Total
Revenue						
Service Revenue/Sale of Goods and Other Income	318,181	33,628	29,100	378	-	381,287
Inter Segment Revenue	14,778	2,489	10,253	-	(27,520)	-
Total Revenue	**332,959**	**36,117**	**39,353**	**378**	**(27,520)**	**381,287**
Results						
Segment Result, Profit/(Loss)	85,220	8,229	4,276	(9,159)	-	88,566
Net Finance Expense/(Income)	-	-	-	1,308	-	1,308
Net Profit/(Loss)	**85,220**	**8,229**	**4,276**	**(10,467)**	**-**	**87,258**
Provision for Tax						
- Current Tax (including MAT credit)	-	-	-	4,846	-	4,846
- Deferred Tax (Credit)/Charge	-	-	-	5,243	-	5,243
Net Profit/(Loss) after tax	**85,220**	**8,229**	**4,276**	**(20,556)**	**-**	**77,169**
Other Information						
Segment Assets	395,336	86,619	35,868	177,047	-	694,870
Inter Segment Assets	271,811	19,375	41,184	37	(332,407)	-
Advance tax (Net of provision for tax)	-	-	-	42	-	42
Advance Fringe Benefit Tax (Net of provision)	-	-	-	14	-	14
MAT Credit	-	-	-	24,680	-	24,680
Total Assets	**667,147**	**105,994**	**77,052**	**201,820**	**(332,407)**	**719,606**
Segment Liabilities	110,013	8,565	23,858	130,778	-	273,214
Inter Segment Liabilities	189,500	69,759	7,656	65,492	(332,407)	-
Deferred Tax Liability	-	-	-	5,276	-	5,276
Total Liabilities	**299,513**	**78,324**	**31,514**	**201,546**	**(332,407)**	**278,490**
Capital Expenditure	**161,497**	**10,939**	**15,211**	**583**	**(14,764)**	**173,466**
Depreciation and amortisation	**35,877**	**8,077**	**4,697**	**297**	**(2,832)**	**46,116**

For the year ended March 31, 2010 (₹ Millions)

Reportable Segments	Mobile Services	Telemedia Services	Enterprises Services	Others	Eliminations	Total
Revenue						
Service Revenue/Sale of Goods and Other Income	295,761	32,047	29,156	29	-	356,993
Inter Segment Revenue	12,688	1,786	15,342	-	(29,816)	-
Total Revenue	**308,449**	**33,833**	**44,498**	**29**	**(29,816)**	**356,993**
Results						
Segment Result, Profit/(Loss)	89,913	7,499	8,489	(7,466)	2	98,437
Net Finance Expense/(Income)	-	-	-	(8,556)	-	(8,556)
Net Profit/(Loss)	**89,913**	**7,499**	**8,489**	**1,090**	**2**	**106,993**
Provision for Tax						
- Current Tax (including MAT credit)	-	-	-	9,427	-	9,427
- Deferred Tax (Credit)/Charge	-	-	-	3,304	-	3,304
Net Profit/(Loss) after tax	**89,913**	**7,499**	**8,489**	**(11,641)**	**2**	**94,262**
Other Information						
Segment Assets	261,693	52,429	29,414	190,630	-	534,167
Inter Segment Assets	239,752	12,274	30,155	-	(282,181)	-
Advance tax (Net of provision for tax)	-	-	-	837	-	837
Advance Fringe Benefit Tax (Net of provision)	-	-	-	14	-	14
MAT Credit	-	-	-	12,211	-	12,211
Total Assets	**501,445**	**64,703**	**59,569**	**203,692**	**(282,181)**	**547,229**
Segment Liabilities	93,718	8,394	21,318	56,394	-	179,825
Inter Segment Liabilities	123,856	36,971	12,571	108,783	(282,181)	-
Deferred Tax Liability	-	-	-	33	-	33
Total Liabilities	**217,574**	**45,365**	**33,889**	**165,210**	**(282,181)**	**179,858**
Capital Expenditure	**60,600**	**13,683**	**21,459**	**1,019**	**(26,072)**	**70,689**
Depreciation and amortisation	**31,328**	**7,096**	**3,424**	**204**	**(2,007)**	**40,045**

Notes:

1. 'Others' represents the Unallocated Revenue, Profit/(Loss), Assets and Liabilities including Secured and Unsecured Loans.
2. Segment results represents Profit/(Loss) before Finance Expenses and tax.
3. Re-branding expenditure are included under 'Others' segment.
4. Capital expenditure pertains to gross additions made to fixed assets during the year.
5. Segment Assets include Fixed assets, Capital Work-in-Progress, Pre-operative Expenses pending allocation, Current Assets and Miscellaneous Expenditure to the extent not written off.
6. Segment Liabilities include Current Liabilities and Provisions.
7. Inter segment Assets/Liabilities represent the inter segment account balances.
8. Inter segment revenues excludes the provision of telephone services free of cost within the Company. Others are accounted for on terms established by management on arm's length basis. These transactions have been eliminated at the Company level.
9. The accounting policies used to derive reportable segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements. Also refer Note 16 of Schedule 20

Information about Geographical Segment – Secondary

The Company has operations within India as well as with entities located in other countries. The information relating to the Geographical segments in respect of operations within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below:

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
Segment Revenue from external customers based on geographical location of customers (including Other Income)		
Within India	363,131	339,041
Others	18,156	17,952
	381,287	356,993
Carrying amount of Segment Assets by geographical location		
Within India	699,803	524,576
Others	19,803	22,653
	719,606	547,229
Cost incurred during the year to acquire segment assets by geographical location		
Within India	164,217	63,684
Others	9,249	7,005
	173,466	70,689

Notes:

1. 'Others' represents the unallocated revenue, assets and acquisition of segment assets of the Company.
2. Assets include Fixed Assets, Capital Work-in-Progress, Investments, Deferred Tax Asset, Current Assets and Miscellaneous Expenditure to the extent not written off.
3. Cost incurred to acquire segment assets pertain to gross additions made to Fixed Assets during the year.

22. **Related Party Disclosures:**

In accordance with the requirements of Accounting Standards (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

Name of the Related Party and Relationship:

(i) **Key Management Personnel**

Sunil Bharti Mittal
Manoj Kohli
Sanjay Kapoor

(ii) **Other Related Parties**

(a) **Entities where control exist – Subsidiary/Subsidiaries of subsidiary**

Bharti Hexacom Limited

Bharti Airtel Services Limited

Bharti Telemedia Limited

Bharti Airtel (USA) Limited

Bharti Airtel Lanka (Private) Limited

Bharti Airtel (UK) Limited

Bharti Airtel (Canada) Limited

Bharti Airtel (Hongkong) Limited

Bharti Infratel Limited

Network i2i Ltd.

Bharti Airtel Holdings (Singapore) Pte. Ltd.*

Bharti Airtel (Singapore) Private Limited (merged with Bharti International (Singapore) Pte. Ltd. w.e.f July 6, 2010)*

Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited)

Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited)

Airtel M Commerce Services Limited (Incorporated on April 1, 2010)*

Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte. Ltd.)
(incorporated on April 5, 2010)*

Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte. Ltd.)
(incorporated on June 9, 2010)*

Bharti Airtel International (Mauritius) Limited (incorporated on April 6, 2010)*

Bharti International (Singapore) Pte. Ltd.*

Airtel Bangladesh Limited (formerly Warid Telecom International Limited)
(subsidiary of Bharti Airtel Holdings (Singapore) Pte. Ltd.)

Bharti Airtel International (Netherlands) B.V.*

Bharti Airtel Africa B.V. (Subsidiary of Bharti Airtel International (Netherlands) B.V.)*

Other subsidiaries of Bharti Airtel Africa B.V. :

Africa Towers N.V. (incorporated on October 5, 2010)*

Airtel (Ghana) Limited (formerly Bharti Airtel (Ghana) Limited)

Airtel (SL) Limited (formerly Celtel Sierra Leone Limited)

Airtel Burkina Faso S.A. (formerly Celtel Burkina Faso S.A.) #

Airtel Congo S.A (Formerly Celtel Congo S.A.)#

Airtel DTH Services (K) Limited (incorporated on January 18, 2011)*

Airtel DTH Services (Sierra Leone) Limited (incorporated on January 19, 2011)*

Airtel DTH Services Burkina Faso S.A. (incorporated on March 30, 2011)*

Airtel DTH Services Congo S.A. (incorporated on November 26, 2010)*

Airtel DTH Services Ghana Limited (incorporated on November 2, 2010)*

Airtel DTH Services Madagascar S.A. (incorporated on March 15, 2011)*

Airtel DTH Services Malawi Limited (incorporated on November 26, 2010) *

Airtel DTH Services Niger S.A. (incorporated on November 29, 2010)*

Airtel DTH Services Nigeria Limited (incorporated on January 27, 2011)*

Airtel DTH Services T.Chad S.A. (incorporated on February 18, 2011)*

Airtel DTH Services Tanzania Limited (incorporated on January 27, 2011)*

Airtel DTH Services Uganda Limited (incorporated on November 26, 2010)*

Bharti DTH Services Zambia Limited (incorporated on Feb 11, 2011)*

Airtel Madagascar S.A. (formerly Celtel Madagascar S.A.)

Airtel Malawi Limited (formerly Celtel Malawi Limited)

Airtel Networks Kenya Limited (formerly Celtel Kenya Limited)#

Airtel Networks Limited (formerly Celtel Nigeria Limited)

Airtel Tanzania Limited (formerly Celtel Tanzania Limited)#

Airtel Towers (Ghana) Limited (incorporated on December 2, 2010)*

Airtel Towers S.L. Company Limited (incorporated on February 2, 2011)*

Airtel Uganda Limited (formerly Celtel Uganda Limited)

Bharti Airtel Acquisition Holdings B.V.

Bharti Airtel Burkina Faso Holdings B.V.

Bharti Airtel Cameroon Holdings B.V.

Bharti Airtel Chad Holdings B.V.

Bharti Airtel Congo Holdings B.V.

Bharti Airtel DTH Holdings B.V. (incorporated on September 28, 2010)*

Bharti Airtel Gabon Holdings B.V.#

Bharti Airtel Ghana Holdings B.V.#

Bharti Airtel IP Netherlands B.V. (dissolved w.e.f. December 30, 2010)

Bharti Airtel Kenya B.V.#

Bharti Airtel Kenya Holdings B.V.

Bharti Airtel Madagascar Holdings B.V.#

Bharti Airtel Malawi Holdings B.V.#

Bharti Airtel Mali Holdings B.V.

Bharti Airtel Middle East B.V. (dissolved w.e.f. December 30, 2010)
Bharti Airtel Morocco Holdings B.V. (dissolved w.e.f. December 30, 2010)
Bharti Airtel Niger Holdings B.V.#
Bharti Airtel Nigeria B.V.#
Bharti Airtel Nigeria Holdings B.V.
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Services B.V.
Bharti Airtel Sierra Leone Holdings B.V.#
Bharti Airtel Tanzania B.V.#
Bharti Airtel Tanzania Holdings B.V. (dissolved w.e.f December 30, 2010)
Bharti Airtel Uganda Holdings B.V.#
Bharti Airtel Zambia Holdings B.V.#
Burkina Faso Towers S.A. (incorporated on March 30, 2011)*
Celtel (Mauritius) Holdings Limited
Celtel Cameroon SA
Celtel Chad S.A.#
Celtel Congo RDC S.a.r.l.#
Celtel Gabon S.A.
Celtel Niger S.A.
Celtel Zambia plc
Channel Sea Management Co Mauritius Limited
Congo Towers S.A. (incorporated on March 7, 2011)*
Indian Ocean Telecom Limited *
Kenya Towers S.A. (incorporated on March 16, 2011)*
Madagascar Towers S.A. (incorporated on March 15, 2011)*
Malawi Towers Limited (incorporated on December 15, 2010)*
Mobile Commerce Congo S.A.
Mobile Commerce Gabon S.A (incorporated on October 26, 2010)*
Montana International
MSI-Celtel Nigeria Limited
Niger Towers S.A. (incorporated on March 29, 2011)*
Partnership Investments Sprl
Société Malgache de Telephonie Cellulaire SA
Tanzania Towers S.A. (incorporated on March 15, 2011)*
Tchad Towers S.A. (incorporated on January 31, 2011)*
Telecom Seychelles Limited*
Towers Support Nigeria Limited (incorporated on March 7, 2011)*
Uganda Towers Limited (incorporated on December 30, 2010)*
Zain (IP) Mauritius Limited
Zain Developers Form
Zain Mobile Commerce Tchad SARL (formerly Zain Mobile Commerce Tchad)
Zain Plc (dissolved w.e.f. January 11, 2011)
Zambia Towers Limited (incorporated on February 7, 2011)*
Zap Holdings B.V.
Zap Mobile Commerce B.V.
Zap Niger S.A. (Niger)
Zap Trust Burkina Faso S.A. (incorporated on September 27, 2010)*
Zap Trust Company (SL) Ltd. (Sierra Leone)
Zap Trust Company Ltd. (Ghana)
Zap Trust Company Ltd. (Kenya)
Zap Trust Company Ltd. (Malawi)
Zap Trust Company Nigeria Limited
Zap Trust Company Tanzania Limited (incorporated on November 11, 2010)*
Zap Trust Company Uganda Ltd. (incorporated on October 7, 2010)*
ZMP Ltd. (Zambia)

(b) Associates/Associate of subsidiary

Alcatel-Lucent Network Management Services India Limited
Bharti Teleports Limited
Tanzania Telecommunications Limited (Associate of Bharti Airtel Tanzania B.V.)

(c) Joint Ventures/Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited)
Indus Towers Limited (Joint Venture of Bharti Infratel Limited)
Bridge Mobile Pte Limited

(d) Entities where Key Management Personnel and its relatives exercise significant influence/Group Companies

Beetel Teletech Limited
Bharti Airtel Employees Welfare Trust
Bharti Axa General Insurance Company Limited
Bharti Axa Investment Managers Private Limited
Bharti Axa Life Insurance Company Limited
Bharti Enterprises Limited
Bharti Foundation
Bharti Realty Holdings Limited
Bharti Realty Limited
Bharti Retail Limited
Bharti Wal-Mart Private Limited
Centum Learning Limited
Comviva Technologies Limited
Fieldfresh Foods Private Limited
Guernsey Airtel Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited

(e) Entities having significant influence over the Company

Singapore Telecommunications Limited
Pastel Limited
Bharti Telecom Limited

* Refer Note 2 above for details of new operations during the year.

Transactions of similar nature with such subsidiaries have been clubbed and shown under the head 'Other African Subsidiaries' as their contribution to total transaction value is less than 10%.

Related Party Transaction for 2010-11

(₹ Millions)

Nature of transaction	Entities where control exist											
	Bharti Hexacom Limited (**)	Bharti Airtel (Services) Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holdings (Singapore) Pte Limited	Bharti Airtel (Singapore) Private Limited (Refer Note 2(h) on Schedule 21)	Airtel Bangladesh Limited	Bharti Telemedia Limited	Bharti Infratel Limited (**)	Bharti Airtel Lanka (Private) Limited
Purchase of fixed assets/bandwidth	(139)	-	-	-	-	-	-	(1,218)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	395	-	73	-	-	-	-	162	-	1	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	5,375	15	378	33	7	1	-	22	-	321	69	111
Receiving of services	(1,536)	(2,501)	(321)	(204)	-	(73)	-	(78)	(6)	(39)	(13,933)	(54)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	(9,662)	-
Management fee	699	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	6,541	3,773	-	1	-	-	-	-	-	306	199	-
Fund received/Expenses incurred on behalf of the Company	(5,647)	(3,543)	-	-	-	-	-	-	-	(270)	-	-
Employee related expenses incurred on behalf of others	38	70	-	-	-	-	-	-	-	95	-	-
Employee related expenses incurred on behalf of the Company	(6)	(106)	-	-	-	-	-	-	-	(5)	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options												
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	190	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-	-
Loan received ***	-	-	-	-	-	-	-	-	-	-	(7,800)	-
Loan given	-	-	-	-	-	-	-	-	-	10,090	-	3,513
Subscription to share capital (Refer Note 2 on Schedule 21)	-	-	-	-	-	-	227	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	(412)	-
Interest received	(11)	-	3	-	-	-	-	-	-	-	-	399
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end												
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	(7,800)	-
Creditors	-	-	(477)	(343)	-	(84)	-	-	(3)	-	(1,716)	-
Loans and Advances	-	381	45	-	-	-	-	-	-	24,969	2,458	9,697
Debtors	459	595	1,066	52	19	1	-	-	-	-	-	40
Total Balance	459	976	634	(291)	19	(83)	-	-	(3)	24,969	(7,058)	9,737
Maximum Loans and Advance Outstanding during the year										24,969		9,697
Guarantees and Collaterals	1,564	87	-	-	-	-	-	-	5,810	772	3	-

(**) Refer Note 26 (vii) below

*** Net of repayment of loan of ₹ 4450 Mn

Related Party Transaction for 2010-11

(₹ Millions)

Nature of transaction	Entities where control exist										
	Network i2i Limited	Airtel M Commerce Services Limited	Bharti Airtel (Japan) Kabushiki Kaisha	Bharti Airtel (France) SAS	Bharti Airtel International (Mauritius) Limited	Bharti International (Singapore) Pte Limited	Bharti Airtel International (Netherlands) B.V. (**)	Telecom Seychelles Limited	Airtel (Ghana) Limited	Airtel Networks Limited	Other African Subsidiaries
Purchase of fixed assets/ bandwidth	(1,824)	-	-	-	-	(496)	-	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	17	-	-	-	-	830	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	52	-	-	-	-	159	-	36	63	41	80
Receiving of services	(432)	-	(52)	(99)	-	(308)	-	(42)	(3)	(28)	(40)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	14	-	1	-	-	10	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	10	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options					-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	11,654	-	-	-	-
Subscription to share capital (Refer Note 2 on Schedule 21)	-	20	-	-	4,636	629	1	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	26	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-
Creditors	(4,286)	-	(50)	(94)	-	(4,890)	-	(19)	-	-	-
Loans and Advances	-	-	-	-	-	-	11,654	-	-	-	-
Debtors	458	20	-	-	-	52	35	-	60	13	49
Total Balance	**(3,828)**	**20**	**(50)**	**(94)**	**-**	**(4,838)**	**11,689**	**(19)**	**60**	**13**	**49**
Maximum Loans and Advance Outstanding during the year							11,654				
Guarantees and Collaterals	-	-	-	-	-	108,410	335,668	-	-	-	-

(**) Refer Note 26 (vii) below

Related Party Transaction for 2010-11

(₹ Millions)

Nature of transaction	Associates		Joint Venture/Joint Venture of Subsidiary			Entities where key management personnel and its relatives exercise significant influence/Group Companies						
	Alcatel-Lucent Network Management Services India Ltd.	Bharti Teleports Limited	Forum 1 Aviation Limited	Indus Towers Limited	Bridge Mobile Pte Limited	Bharti Wal-Mart Private Limited	Comviva Technologies Limited	Beetel Teletech Limited	Indian Continent Investment Limited	Bharti Realty Limited	Bharti Realty Holdings Limited	Field Fresh Foods Private Limited
Purchase of fixed assets/ bandwidth	(3,577)	-	-	-	-	-	-	(417)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	6	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	36	2	-	35	-	4	5	49	-	-	-	6
Receiving of services	(1,827)	-	(41)	(23,311)	(13)	-	(570)	(97)	-	(391)	(155)	-
Reimbursement of energy expenses	-	-	-	(11,625)	-	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	30	4	-	-	-	-	1	1	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	(2)	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	12	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	(2)	-	-	-	(1)
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options												
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	14	86	-
Security deposit/Advances received	-	-	-	(84)	-	-	-	-	-	(335)	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	90	110	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer Note 2 on Schedule 21)	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	5	17	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	259	-	-	-
Outstanding balances at year end												
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	(795)	-	-	(5,131)	(4)	-	(84)	-	-	-	-	-
Loans and Advances	90	210	-	5,557	-	-	-	-	-	245	94	-
Debtors	-	17	-	-	-	2	-	2	-	-	-	1
Total Balance	(705)	227	-	426	(4)	2	(84)	2	-	245	94	1
Maximum Loans and Advance						-	-	-	-	-	-	-
Outstanding during the year	90	210										
Guarantees and Collaterals	-	-										
(**) Refer Note 26 (vii) below												

Related Party Transaction for 2010-11

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence/Group Companies									
	Bharti AXA Life Insurance Company Limited	Bharti Foundation	Bharti Airtel Employees Welfare Trust	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited	Bharti AXA General Insurance Company Limited	Bharti AXA Investment Managers Private Limited	Nile Tech Limited
Purchase of fixed assets/ bandwidth	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	224	-
Rendering of services	2	-	-	53	2	-	35	-	-	-
Receiving of services	-	-	-	(2)	-	(346)	(14)	(2)	-	(514)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	1	17	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	(562)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	(1)	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-
Donation	-	107	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options			(222)							
Security deposit/Advances paid	-	-	401	-	-	-	-	-	-	343
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer Note 2 on Schedule 21)	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end										
Unsecured Loan	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	264	-	-	66	-	-	-	343
Debtors	-	-	-	18	105	-	19	-	-	-
Total Balance	-	-	264	18	105	66	19	-		343
Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-

Related Party Transaction for 2010-11

(₹ Millions)

Nature of transaction	Entities having significant influence over the Company			Key Management Personnel		
	Singapore Telecommunications Limited	Pastel Limited	Bharti Telecom Limited	Sunil Bharti Mittal	Manoj Kohli	Sanjay Kapoor
Purchase of fixed assets/ bandwidth	-	-	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-
Rendering of services	1,094	-	-	-	-	-
Receiving of services	(521)	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-
Remuneration	-	-	-	275	44	44
Donation	-	-	-	-	-	-
Amount received on exercise of ESOP options					-	-
Security deposit/Advances paid	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-
Loan received	-	-	-	-	-	-
Loan given	-	-	-	-	-	-
Subscription to share capital (Refer Note 2 on Schedule 21)	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Dividend Paid	-	591	1,726	-	-	1
Outstanding balances at year end						
Unsecured Loan	-	-	-	-	-	-
Creditors	(21)	-	-	(179)	(13)	(15)
Loans and Advances	-	-	-	-	-	-
Debtors	442	-	-	-	-	-
Total Balance	**421**	**-**	**-**	**(179)**	**(13)**	**(15)**
Guarantees and Collaterals	-	-	-	-	-	-

Related Party Transaction for 2009-10

(₹ Millions)

Nature of transaction	Entities where control exist								
	Bharti Hexacom Limited	Bharti Airtel Services Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holdings (Singapore) Pte Limited	Bharti Airtel (Singapore) Private Limited	Bharti Telemedia Limited
Purchase of fixed assets/bandwidth	(119)	-	-	-	-	-	-	(3,073)	-
Sale of fixed assets/retirement of bandwidth	1,243	4	-	-	-	-	-	399	38
Purchase of Investments	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-
Rendering of services	4,511	14	475	20	8	-	-	21	190
Receiving of services	(1,310)	(3,720)	(165)	(103)	-	(11)	-	(221)	(28)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-
Management fee	547	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	6,582	3,959	-	-	-	-	-	-	8,825
Fund received/Expenses incurred on behalf of the Company	(8,969)	(4,263)	-	-	-	-	-	-	(203)
Employee related expenses incurred on behalf of others	22	75	-	-	-	-	-	-	20
Employee related expenses incurred on behalf of the Company	(8)	(11)	-	-	-	-	-	-	(10)
Remuneration	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	3	-	14,142	-	-
Interest paid	-	-	-	-	-	-	-	-	-
Interest received	71	-	3	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Outstanding balances at year end									
Unsecured Loan	-	-	-	-	-	-	-	-	-
Creditors	-	(201)	-	(130)	-	(11)	-	(4,016)	-
Loans and Advances	-	325	56	2	1	-	-	-	14,880
Debtors	183	-	686	-	11	-	-	-	-
Total Balance	183	124	742	(128)	12	(11)	-	(4,016)	14,880
Maximum Loans and Advance Outstanding during the year									14,880
Guarantees and Collaterals	1,208	93	-	-	-	-	6,641	8	493

Related Party Transaction for 2009-10

(₹ Millions)

Nature of transaction	Entities where control exist			Associates		Joint Venture/Joint Venture of Subsidiary		
	Bharti Infratel Limited	Bharti Airtel Lanka (Private) Limited	Network i2i Limited	Alcatel-Lucent Network Management Services India Limited	Bharti Teleport Limited	Forum 1 Aviation Limited	Indus Towers Limited	Bridge Mobile Pte Limited
Purchase of fixed assets/bandwidth	-	-	(355)	(280)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	2	-	325	157	-	-	2	-
Purchase of Investments	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-
Rendering of services	-	49	25	-	-	-	58	-
Receiving of services	(12,357)	(29)	(265)	(1,647)	-	(39)	(19,027)	(13)
Reimbursement of energy expenses	(8,502)	-	-	-	-	-	(10,948)	-
Management fee	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	174	-	13	-	-	-	12	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	(48)	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-
Security deposit/Advances paid	1,551	-	-	-	-	-	5,097	-
Security deposit/Advances received	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-
Loan given	-	3,712	-	-	100	-	-	-
Subscription to share capital	-	-	-	90	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	233	-	1	2	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Outstanding balances at year end								
Unsecured Loan	-	-	-	-	-	-	-	-
Creditors	(2,033)	-	(4,191)	(869)	-	(1)	(7,559)	-
Loans and Advances	2,268	6,184	-	-	102	-	5,641	-
Debtors	-	25	-	-	-	-	-	-
Total Balance	235	6,209	(4,191)	(869)	102	(1)	(1,918)	-
Maximum Loans and Advance						-	-	-
Outstanding during the year		6,184			102			
Guarantees and Collaterals	54	-	-	-	-			

Related Party Transaction for 2009-10

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence / Group Companies							
	Bharti Airtel Employees Welfare Trust (formerly Bharti Televentures Employees Welfare Trust)	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited (formerly Bharti Retail Private Limited)	Jataayu Software Limited	Bharti Axa General Insurance Company Limited	Bharti Axa Investment Managers Private Limited
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	(74)	-	-	-	-	(190)
Sale of Investments	-	-	-	-	-	-	-	264
Rendering of services	-	47	5	-	31	2	-	-
Receiving of services	-	(12)	(1)	(488)	(1)	-	(7)	-
Reimbursement of energy expenses	-	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	11	12	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	(1)	(576)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	(9)	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	(23)	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Outstanding balances at year end								
Unsecured Loan	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-
Loans and Advances	85	-	-	60	-	-	-	-
Debtors	-	24	1	-	10	-	-	-
Total Balance	85	24	1	60	10	-	-	
Maximum Loans and Advance								
Outstanding during the year								
Guarantees and Collaterals	-	-	-	-	-			

Related Party Transaction for 2009-10

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence/Group Companies							
	Comviva Technologies Limited	Bharti Foundation	Bharti AXA Life Insurance Company Limited	Beetel Teletech Limited (formerly Bharti Teletech Limited)	Fieldfresh Foods Private Limited (formerly Bharti Del Monte India Private Limited)	Bharti Realty Limited (formerly Bharti Realty Private Limited)	Guernsey Airtel Limited	Bharti Realty Holdings Limited (formerly Tamarind Project Private Limited)
Purchase of fixed assets/bandwidth	(2)	-	-	(678)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-
Rendering of services	7	-	15	239	-	-	4	-
Receiving of services	(413)	-	-	(187)	-	(327)	-	(14)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	26	-	-	1	1	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	(9)	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	(1)	-	-
Remuneration	-	-	-	-	-	-	-	-
Donation	-	106	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	12	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Outstanding balances at year end								
Unsecured Loan	-	-	-	-	-	-	-	-
Creditors	(30)	-	-	-	-	-	-	-
Loans and Advances	-	-	-	-	-	572	-	8
Debtors	-	-	-	75	-	-	8	-
Total Balance	(30)	-	-	75	-	572	8	8
Maximum Loans and Advance Outstanding during the year								
Guarantees and Collaterals	-	-	-	-	-	-	-	-

Related Party Transaction for 2009-10

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence/Group Companies		Entities having significant influence over the Company			Key Management Personnel		
	Telecom (Seychelles) Limited	Bharti Wal-Mart Private Limited	Singapore Tele-communications Limited	Pastel Limited	Bharti Telecom Limited	Sunil Bharti Mittal	Manoj Kohli	Sanjay Kapoor
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-
Rendering of services	41	1	1,354	-	-	-	-	-
Receiving of services	(19)	-	(791)	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	-	-	-	-	-
Management fee	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	3	2	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	(9)	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	235	45	3
Donation	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	591	1,720	-	-	-
Outstanding balances at year end								
Unsecured Loan	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	(119)	(16)	(1)
Loans and Advances	-	2	-	-	-	-	-	-
Debtors	4	1	443	-	-	-	-	-
Total Balance	4	3	443	-	-	(119)	(16)	(1)
Maximum Loans and Advance								
Outstanding during the year								
Guarantees and Collaterals	-	-	-	-	-	-	-	-

During the year, the Company has paid in addition of provision made last year ₹ 3 Mn to Akhil Gupta towards PLI for the year 2008-09

23. **Operating lease - As a Lessee**

The lease rentals charged during the year for cancellable/ non-cancellable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancellable operating leases are as follows:

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
Lease Rentals [Excluding Lease Equalisation Reserve - ₹ 2,746 Mn (2009-10 ₹ 2,767 Mn)]	40,590	34,626
Obligations on non-cancellable leases:		
Not later than one year	42,359	33,279
Later than one year but not later than five years	103,352	84,317
Later than five years	162,335	133,690
Total	**308,046**	**251,286**

The escalation clause includes escalation at various periodic levels ranging from 0 to 50%, includes option of renewal from 1 to 99 years and there are no restrictions imposed on lease arrangements.

Operating Lease – As a Lessor

i) The Company has entered into a non-cancellable lease arrangement to provide approximately 100,000 fiber pair kilometers of dark fiber on indefeasible right of use (IRU) basis for a period of 18 years. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the Profit and Loss Account on a straight-line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as at March 31, 2011 and accordingly, disclosures required by AS 19 are not provided.

ii) The future minimum lease payments receivable are:

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
Not later than one year	123	170
Later than one year but not later than five years	434	438
Later than five years	323	429
Total	880	1,037

24. **Finance Lease - as a Lessee**

The Company entered into a composite IT outsourcing agreement, whereby the vendor supplied fixed assets and IT related services to the Company. Based on the risks and rewards incident to the ownership, the fixed asset and liability are recorded at the fair value of the leased assets at the time of receipt of the assets, since it is not possible for the Company to determine the extent of fixed assets and services under the contract at the inception of the contract. These assets are depreciated over their useful lives as in the case of the Company's own assets.

Since the entire amount payable to the vendor towards the supply of fixed assets and services during the year is accrued, the disclosures as per AS 19 are not applicable.There are no restrictions imposed on lease arrangements.

25. The breakup of net Deferred Tax Asset/ (Liability) as on March 31, 2011 is as follows:

(₹ Millions)

Particulars	As at March 31, 2011	As at March 31, 2010
Deferred Tax Assets		
Provision for doubtful debts/advances charged in financial statement but allowed as deduction under the Income Tax Act in future years (to the extent considered realisable)	3,886	4,703
Lease Rent Equilization charged in financial statement but allowed as deduction under the Income Tax Act in future years on actual payment basis	2,330	1,634
Foreign exchange fluctuation and MTM losses charged in financial statement but allowed as deduction under the Income Tax Act in future years (by way of depreciation and actual realisation, respectively)	620	738
Other expenses claimed as deduction in the financial statement but allowed as deduction under Income Tax Act in future year on actual payment (Net)	973	888
Gross Deferred Tax Assets	**7,809**	**7,963**
Deferred Tax Liabilities		
Depreciaiton claimed as deduction under Income Tax Act but chargeable in the financial statement in future years	(13,085)	(7,996)
Gross Deferred Tax Liabilities	**(13,085)**	**(7,996)**
Net Deferred Tax Assets/(Liability) (Net)	**(5,276)**	**(33)**

The tax impact for the above purpose has been arrived at by applying a tax rate of 32.445% being the substantively enacted tax rate for Indian companies under the Income Tax Act, 1961.

26. **Employee stock compensation**

(i) Pursuant to the shareholders' resolutions dated February 27, 2001 and September 25, 2001, the Company introduced the "Bharti Tele-Ventures Employees' Stock Option Plan" (hereinafter called "the Old Scheme") under which the Company decided to grant, from time to time, options to the employees of the Company and its subsidiaries. The grant of options to the employees under the Old Scheme is on the basis of their performance and other eligibility criteria.

(ii) On August 31, 2001 and September 28, 2001, the Company issued a total of 1,440,000 (face value ₹ 10 each) equity shares at a price of ₹ 565 per equity share to the Trust. The Company issued bonus shares in the ratio of 10 equity shares for every one equity share held as at September 30, 2001, as a result of which the total number of shares allotted to the trust increased to 15,840,000 (face value ₹ 10 each) equity shares.

(iii) Pursuant to the shareholders' resolution dated September 6, 2005, the Company announced a new Employee Stock Option

Scheme (hereinafter called "the New Scheme") under which the maximum quantum of options was determined at 9,367,276 (face value ₹ 10 each) options to be granted to the employees from time to time on the basis of their performance and other eligibility criteria.

(iv) All above options are planned to be settled in equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The plans existing during the year are as follows:

a) **2001 Plan under the Old Scheme**

The options under this plan have an exercise price of ₹ 0.46 to ₹ 60 per share and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	20%
	On completion of 24 months	30%
	On completion of 36 months	50%
For options with a vesting period of 42 months:	On completion of 12 months	15%
	On completion of 18 months	15%
	On completion of 30 months	30%
	On completion of 42 months	40%
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

b) **2004 Plan under the Old Scheme.**

The options under this plan have an exercise price of ₹ 35 per share and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

c) **Super-pot Plan under the Old Scheme**

The options under this plan have an exercise price of ₹ Nil per share and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

d) **2006 Plan under the Old Scheme**

The options under this plan have an exercise price of ₹ 5 to ₹ 110.50 per share and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 36 months	50%
	On completion of 48 months	50%

e) **2005 Plan under the New Scheme**

The options under this plan have an exercise price in the range of ₹ 110.50 to ₹ 461 per share and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

f) **2008 Plan and Annual Grant Plan (AGP) under the New Scheme**

The options under this plan have an exercise price in the range of ₹ 295 to ₹ 402.50 per share and vest on a graded basis from the effective date of grant as follows:

		2008 Plan	AGP#
	Vesting period from the grant date	Vesting schedule	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	25%	33%
	On completion of 24 months	35%	33%
	On completion of 36 months	40%	33%

g) **Performance Sharing Plan (PSP) 2009 Plan under the New Scheme**

The options under this plan have an exercise price of ₹ 5 per share and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 36 months	50%
	On completion of 48 months	50%

h) **Special ESOP and Restricted Share Units (RSU) Plan under the New Scheme**

The options under this plan have an exercise price of ₹ 5 per share and vest on a graded basis as follows:

	Vesting period from the grant date	Special ESOP
For options with a vesting period of 36 months:	On completion of 12 months	33%
	On completion of 24 months	33%
	On completion of 36 months	33%
For options with a vesting period of 60 months:	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%

	Vesting period from the grant date	RSU
For options with a vesting period of 36 months:	On completion of 12 months	33%
	On completion of 24 months	33%
	On completion of 36 months	33%

(v) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

(Shares in Thousands)	As of March 31, 2011			As of March 31, 2010		
	Number of stock options	Weighted average exercise price (₹)	Weighted average remaining contractual life (in Years)	Number of stock options	Weighted average exercise price (₹)	Weighted average remaining contractual life (in Years)
2001 Plan						
Number of shares under option:						
Outstanding at beginning of year	16	60.00		36	32.92	
Granted	-	-		-	-	
Exercised*	16	60.00		4	11.25	
Cancelled or expired	-	-		16	11.25	
Outstanding at the year end	-	-	-	16	60.00	0.00 to 2.25
Exercisable at end of year	-	-		16	60.00	
Weighted average grant date fair value per option for options granted during the year		-			-	
2004 Plan						
Number of shares under option:						
Outstanding at beginning of year	170	35.00		576	35.00	
Granted	-	-		-	-	
Exercised*	170	35.00		406	35.00	
Cancelled or expired	-	-		-	-	
Outstanding at the year end	-	-	-	170	35.00	0.76 to 1.25
Exercisable at end of year	-	-		170	35.00	
Weighted average grant date fair value per option for options granted during the year		-			-	
Superpot Plan						
Number of shares under option:						
Outstanding at beginning of year	12	-		12	-	
Granted	-	-		-	-	
Exercised*	4	-		-	-	
Cancelled or expired	8	-		-	-	
Outstanding at the year end	-	-	-	12	-	1.25
Exercisable at end of year	-	-		12	-	
Weighted average grant date fair value per option for options granted during the year		-			-	
2006 Plan						
Number of shares under option:						
Outstanding at beginning of year	2,096	5.50		2,410	5.77	
Granted	867	5.00		454	5.00	
Exercised*	554	5.00		640	6.24	
Cancelled or expired	352	5.00		128	5.00	
Outstanding at the year end	2,057	5.51	2.17 to 6.94	2,096	5.50	3.17 to 6.77
Exercisable at end of year	832	6.27		357	7.96	
Weighted average grant date fair value per option for options granted during the year		287.39			299.93	
2005 Plan						
Number of shares under option:						
Outstanding at beginning of year	4,515	292.34		5,998	274.44	
Granted	-	-		-	-	
Exercised #	568	148.73		920	128.37	
Cancelled or expired	479	339.29		563	365.28	
Outstanding at the year end	3,468	309.34	1.44 to 3.92	4,515	292.34	1.68 to 4.17
Exercisable at end of year	2,816	280.68		2,576	228.52	
Weighted average grant date fair value per option for options granted during the year		-			-	

(Shares in Thousands)	As of March 31, 2011			As of March 31, 2010		
	Number of stock options	Weighted average exercise price (₹)	Weighted average remaining contractual life (in Years)	Number of stock options	Weighted average exercise price (₹)	Weighted average remaining contractual life (in Years)
2008 Plan & Annual Grant Plan (AGP)						
Number of shares under option:						
Outstanding at beginning of period	7,031	354.94		5,794	330.97	
Granted	-	-		2,566	402.50	
Exercised #	11	336.50		1	336.50	
Cancelled or expired	1,105	353.96		1,328	342.28	
Outstanding at period end	5,915	355.16	4.25 to 5.25	7,031	354.94	5.25 to 6.25
Exercisable at end of period	3,043	345.70		1,282	331.36	
Weighted average grant date fair value per option for options granted during the year		-			169.45	
PSP 2009 plan						
Number of shares under option:						
Outstanding at beginning of period	1,282	5.00		-	-	
Granted	328	5.00		1,323	5.00	
Exercised #	-	-		-	-	
Cancelled or expired	154	5.00		41	5.00	
Outstanding at period end	1,456	5.00	5.34 to 6.34	1,282	5.00	2.44 to 6.34
Exercisable at end of period	-	-		-	-	
Weighted average grant date fair value per option for options granted during the year		281.97			281.97	
Special ESOP & RSU Plan						
Number of shares under option:						
Outstanding at beginning of period	-	-		-	-	
Granted	3,255	5.00		-	-	
Exercised #	-	-		-	-	
Cancelled or expired	280	5.00		-	-	
Outstanding at period end	2,975	5.00	6.01 to 6.19	-	-	-
Exercisable at end of period	-	-		-	-	
Weighted average grant date fair value per option for options granted during the year		280.17			-	

* Shares given on exercise of the options are out of the shares issued to the Trust.

Shares given on exercise of the options are out of the purchase of shares from the open market by the Trust.

The weighted average share price during the year was ₹ 291.13 (2009-10 ₹ 365.48)

(vi) The fair value of the options granted was estimated on the date of grant using the Black-Scholes/Monte Carlo/Lattice valuation model with the following assumptions:

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Risk free interest rates	7.14% to 8.84%	6.44% to 7.86%
Expected life	48 to 72 months	48 to 66 months
Volatility	37.26% to 46.00%	36.13% to 37.47%
Dividend yield	0.39%	0.31%
Weighted average share price on the date of grant	256.95 to 368.00	307.42 to 412.13

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares became publicly traded, which may be shorter than the term of the options.

(vii) The Company has granted stock options to the employees of the subsidiaries i.e. Bharti Hexacom Limited, Bharti Infratel Limited (BIL) and Bharti Airtel International (Netherlands) B.V. and the corresponding compensation cost is borne by the Company. Further BIL has also given stock options to certain employees of the Company and the corresponding compensation cost is borne by BIL.

27. Earnings per share (Basic and Diluted):

Particulars	As at March 31, 2011	As at March 31, 2010
Basic and Diluted Earnings per Share:		
Nominal value of equity shares (₹)	5	5
Profit attributable to equity shareholders (₹ in Mn) (A)	77,169	94,262
Weighted average number of equity shares outstanding during the year (In Mn) (B)	3,798	3,797
Basic earnings per Share (₹) (A / B)	20.32	24.83
Dilutive effect on profit (₹ in Mn)(C)*	-	(3)
Profit attributable to equity shareholders for computing Diluted EPS (₹ in Mn) (D)=(A+C)	77,169	94,258
Dilutive effect on weighted average number of equity shares outstanding during the year (in Mn) (E)*	-	1
Weighted Average number of Equity shares and Equity Equivalent shares for computing Diluted EPS (in Mn) (F)=(B+E)	3,798	3,798
Diluted earnings per share (₹) (D/ F)	20.32	24.82

*Diluted effect on weighted average number of equity shares and profit attributable is on account of Foreign Currency Convertible Bonds and Employee Stock Option Plan (ESOP).

28. Forward Contracts and Derivative Instruments

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to interest rate and foreign exchange fluctuations.

The following table details the status of the Company's exposure as on March 31, 2011:

(₹ Millions)

Sr. No.	Particulars	Notional Value (March 31, 2011)	Notional Value (March 31, 2010)
A.	For Loan related exposures *		
	a) Forwards	13,119	25,777
	b) Options	29,922	15,986
	c) Interest Rate Swaps	8,501	10,965
	Total	**51,542**	**52,728**
B.	For Trade related exposures *		
	a) Forwards	1,558	1,467
	b) Options	1,880	1,986
	Total	**3,438**	**3,453**
C.	Unhedged foreign currency borrowing	21,840	22,127
D.	Unhedged foreign currency payables	16,480	17,663
E.	Unhedged foreign currency receivables	552	742

*All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Company has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded losses of ₹ 126 Mn for the year ended March 31, 2011 [recorded reversals of losses for earlier period of ₹ 42 Mn for the year ended March 31, 2010]

29. a) The board of directors in its meeting held on April 28, 2010, recommended a final dividend of ₹ 1 per equity share of ₹ 5 each (20% of face value) for financial year 2009-10 which was duly approved by the shareholders of the Company in the Annual General Meeting held on September 1, 2010.

b) Net Dividend remitted in foreign exchange:

	For the year ended March 31, 2011	For the year ended March 31, 2010
Number of non-resident shareholders	9	8
Number of equity shares held on which dividend was due (in Mn)	860	424
Amount remitted (₹ in Mn)	860	849
Amount remitted (USD in Mn)	18	17

Dividend of ₹ 1 per share (Face value per share ₹ 5) was declared for the year 2009-10.

Dividend of ₹ 2 per share (Face value per share ₹ 10) was declared for the year 2008-09.

30. Movement in provision for doubtful debts/advances:

(₹ Millions)

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

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

32. The Company has undertaken to provide financial support, to its subsidiaries Bharti Airtel Services Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hongkong) Limited, Bharti Telemedia Limited, Bharti Airtel Lanka (Pvt.) Limited and Bharti Airtel International (Netherlands) B.V. including its subsidiaries.

33. Previous year figures have been regrouped/reclassified where necessary to conform to current year's classification.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	70609	State Code	5 5
Balance Sheet Date	31-Mar-11		

II. Capital raised during the year (Amount in ₹ Millions)

	Public Issue	**Rights Issue**
	N I L	N I L
	Bonus Issue	**Private Placement**
	N I L	N I L

III. Position of mobilisation and deployment of funds (Amount in ₹ Millions)

	Total Liabilities	**Total Assets**
	565,367	565,367
Sources of funds	**Paid-up Capital**	**Reserves & Surplus**
	18,988	419,342
	Secured Loans	**Unsecured Loans**
	171	118,804
	Share Application Money Pending Allotment	**Employee Stock Options Outstanding**
	N I L	2,786
	Net Fixed Assets	**Investments**
Application of funds	471,984	118,130
	Net Current Assets	**Miscellaneous Expenditure**
	(24,747)	N I L
	Deferred Tax Asset (Net)	
	(5,276)	

IV. Performance of the Company (Amount in ₹ Millions)

	Turnover*	**Total Expenditure**
	381,287	294,029
	* Includes Other Income	
	Profit / (Loss) Before Tax	**Profit / (Loss) After Tax**
	87,258	77,169
	Earning per Share in ₹	**Dividend Rate**
	20.32	20%

V. Generic names of three principal products/services of the Company (as per monetary terms)

Item code No. (ITC code)	Not Applicable
Product Description	Basic and Cellular Telephone Services, Broadband & Long Distance Communication Services

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

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Chairman & Managing Director

Akhil Gupta
Director

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

Place: New Delhi
Date: May 5, 2011

Consolidated financial statements with Auditors' report

Report of Independent Auditors

To the Board of Directors of Bharti Airtel Limited

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

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

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

We did not audit the financial statements of a joint venture, included herein with the Company's share of total assets of ₹ 63,406 Mn, ₹ 54,577 Mn, and ₹ 35,283 Mn as at March 31, 2011, March 31, 2010 and April 1, 2009, respectively, the total revenue (including recovery of power and fuel charges) of ₹ 45,184 Mn and ₹ 37,500 Mn for the years ended March 31, 2011 and March 31, 2010, respectively, and the cash outflows amounting to ₹ 113 Mn and ₹ 1,751 Mn for the year ended March 31, 2011 and March 31, 2010, respectively, on the basis of amounts reflected in the audited financial statements of the joint - venture and before elimination of inter-company transactions between the Company and the joint venture on Consolidation. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

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

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

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Date: May 5, 2011
Place: New Delhi

Consolidated Statement of Comprehensive Income

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

	Notes	Year ended March 31, 2011	Year ended March 31, 2010
Revenue		594,672	418,472
Operating expenses	7	(395,008)	(250,839)
		199,664	**167,633**
Depreciation and amortisation	9	(102,066)	(62,832)
Profit/(Loss) from operating activities		**97,598**	**104,801**
Share of results of associates		(57)	(48)
Other income	8	1,346	697
Non-operating expense	10	(292)	(181)
Profit/(Loss) before finance income and cost and tax		**98,595**	**105,269**
Finance income	11	3,536	17,381
Finance costs	11	(25,349)	(17,559)
Profit/(Loss) before tax		**76,782**	**105,091**
Income tax expense	12	(17,790)	(13,453)
Net profit/(loss) for the year		**58,992**	**91,638**
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		12,681	(1,028)
Other comprehensive income/(loss) for the year, net of tax		**12,681**	**(1,028)**
Total comprehensive income/(loss) for the year, net of tax		**71,673**	**90,610**
Profit/(loss) attributable to:			
Equity holders of the parent		60,467	89,768
Non-controlling interests		(1,475)	1,870
Net Profit/(Loss)		**58,992**	**91,638**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		73,661	88,796
Non-controlling interests		(1,988)	1,814
Total Comprehensive Income/(Loss)		**71,673**	**90,610**
Earnings Per Share	38		
Basic, profit attributable to equity holders of parent		15.93	23.67
Diluted, profit attributable to equity holders of parent		15.93	23.66

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 5, 2011

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

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

Consolidated Statement of Financial Position

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

	Notes	As of March 31, 2011	As of March 31, 2010	As of April 01, 2009
Assets				
Non-current assets				
Property, plant and equipment	13	651,426	482,629	436,482
Intangible assets	14	637,317	59,890	49,798
Investment in associates	16	-	57	14
Derivative financial assets	17	1,998	3,337	6,571
Other financial assets	18	7,930	7,368	4,674
Other non-financial assets	19	9,255	7,485	3,656
Deferred tax asset	12	45,061	12,489	3,987
		1,352,987	573,255	505,182
Current assets				
Inventories	20	2,139	484	962
Trade and other receivables	21	54,929	35,711	41,320
Derivative financial assets	17	2,682	144	4,563
Prepayments and other assets	22	30,504	20,835	27,172
Income tax recoverable		5,280	2,826	3,182
Short-term investments	23	6,224	52,264	36,638
Other financial assets	24	744	98	84
Cash and cash equivalents	25	9,575	25,323	14,432
		112,077	137,685	128,353
Total assets		1,465,064	710,940	633,535
Equity and liabilities				
Equity				
Issued capital		18,988	18,988	18,982
Treasury shares		(268)	(81)	(107)
Share premium		56,499	56,499	56,319
Retained earnings/(deficit)		357,446	301,342	215,978
Foreign currency translation reserve		14,018	824	1,796
Other components of equity	31	40,985	44,368	17,331
Equity attributable to equity holders of parent		487,668	421,940	310,299
Non-controlling interest		28,563	25,285	13,389
Total equity		516,231	447,225	323,688
Non-current liabilities				
Borrowings	26	532,338	81,474	53,400
Deferred revenue		8,700	11,222	11,478
Provisions	27	6,085	3,779	5,370
Derivative financial liabilities	17	151	289	227
Deferred tax liability	12	12,487	3,737	3,725
Other financial liabilities	28	13,856	10,860	7,211
Other non-financial liabilities	29	5,371	3,912	2,462
		578,988	115,273	83,873
Current liabilities				
Borrowings	26	84,370	20,424	79,621
Deferred revenue		30,599	19,027	22,923
Provisions	27	1,180	874	305
Other non-financial liabilities	29	10,053	5,399	5,672
Derivative financial liabilities	17	317	415	164
Income tax liabilities		3,642	-	-
Trade and other payables	32	239,684	102,303	117,289
		369,845	148,442	225,974
Total liabilities		948,833	263,715	309,847
Total equity and liabilities		1,465,064	710,940	633,535

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 5, 2011

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

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Director

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Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

Consolidated Statement of Changes in Equity

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

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

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 5, 2011

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

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Chief Financial Officer

Consolidated Statement of Cash Flows

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

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

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

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

per Prashant Singhal
Partner
Membership No.: 93283

Place: New Delhi
Date: May 5, 2011

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

Sunil Bharti Mittal
Chairman & Managing Director

Akhil Gupta
Director

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel & Company Secretary

Srikanth Balachander
Chief Financial Officer

Notes to Consolidated Financial Statements

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

1. Corporate information

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

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

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, passive infrastructure services and direct to home services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 42.

The services provided by the Group are disclosed in Note 35 under segmental reporting.

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

2. Basis of preparation

The annual consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

The Consolidated Financial Statements were authorized for issue by the Board of Directors on May 5, 2011.

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

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

3. Summary of significant accounting policies

3.1 Basis of measurement

The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. These consolidated financial statements have been presented in millions of Indian Rupees, the national currency of India.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 42.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Non-controlling interests (NCI) have certain rights under shareholders' agreements, the Company evaluates whether these rights are in the nature of participative or protective rights for the purpose of ascertaining the control.

The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the business combination and the Non-controlling interests share of changes in equity since that date.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. However, the non-controlling interests share of losses of subsidiary are allocated against the interests of the Group where the non-controlling interest is reduced to zero and the Company has a binding obligation under a contractual arrangement with the holders of non-controlling interest.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Whenever control over a subsidiary is given up, the Group derecognizes the carrying value of assets (including goodwill), liabilities, the attributable value of non-controlling interest, if any, and the cumulative translation differences earlier recorded in equity in respect of the subsidiary over which the control is lost. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any residual interest in the erstwhile subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, *"Financial Instruments: Recognition and Measurement"*, or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.3 Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities recognised and contingent liabilities assumed.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's net identifiable assets.

Acquisition related costs, such as finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees are recognised in profit or loss in the period they are incurred.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognised in accordance with IAS 39, *"Financial Instrument: Recognition and Measurement"*, in the statement of comprehensive income or other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured and its subsequent settlement is accounted for within equity.

Where the Group increases its interest in an entity such that control is achieved, previously held equity interest in the acquired entity is revalued to fair value as at the date of acquisition, being the date at which the Group obtains control of the acquiree. The change in fair value is recognised in profit or loss.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with IAS 37, *"Provisions, Contingent Liabilities and Contingent Assets"*, or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18 "Revenue".

3.4 Interest in joint venture companies

The Group reports its interest in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income, expenses and cash flows of jointly controlled entities are combined with the equivalent items on a line-by-line basis in the consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Adjustments are made where necessary to bring the accounting policies in line with those of the Group. Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entities.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

3.5 Investment in associates

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of the investment. Losses of an associate in excess of the Group's interest in that associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

3.6 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. The amortisation period and the amortization method for an intangible asset (except goodwill) is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

a) **Goodwill**

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each date of statement of financial position.

Negative goodwill arising on an acquisition is recognised directly in the statement of comprehensive income.

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

b) **Software**

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Software up to Rs 500 thousand is amortised over a period of 1 year.

c) **Bandwidth**

Bandwidths capacities are capitalized at the amounts incurred to acquire the right to use capacities and are amortised over the period of the agreement.

d) **Licenses**

Acquired licenses are initially recognised at cost. Licenses acquired in a business combination are initially recognised at fair value at the acquisition date. Subsequently, License and spectrum entry fees are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in profit or loss on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective jurisdiction and is disclosed under 'depreciation and amortisation'. The amortisation period is determined primarily by reference to the unexpired license period.

The revenue-share fee on license and spectrum is computed as per the licensing agreement and is expensed as incurred, since it is not possible to reliably estimate the total amount payable on revenue share fees at the time of acquiring the license.

e) **Other intangible assets**

Other intangible assets comprising brands, customer relationships and distribution networks, are capitalised at fair values on the date of acquisition.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. Other finite lived intangible assets are amortised as below:

Brand: Over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.

Distribution network: Over estimated useful life

Customer base: The estimated life of such relationships

3.7 Property, plant and equipment ('PPE')

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.

Where assets are installed on the premises of customers (commonly called Customer premise equipment -"CPE"), such assets continue to be treated as PPE so long the management is confident of exercising control over them.

The Group also enters into multiple element contracts whereby the vendor supplies plant and equipment and IT related services. These are recorded on the basis of relative fair value.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss on the date of retirement and disposal.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of statement of financial position. Land is not depreciated. Estimated useful lives of the assets are as follows:

	Years
Buildings	20
Network equipment	3-20
Computer equipment	3
Office furniture and equipment	2-5
Vehicles	3-5
Leasehold improvements	Remaining period of the lease or 10/20 years, as applicable, whichever is less
Customer Premises Equipment	5-6

Assets individually costing ₹ five thousand or less are fully depreciated over a period of 12 months from the date placed in service.

3.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. When conducting impairment reviews cash-generating units are the lowest level at which management monitors the return on investment on assets. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense.

An impairment loss in respect of goodwill is not reversible. Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Government securities, treasury bills and fixed deposits with an original maturity of more than three months are classified as loans and receivables; and mutual funds and quoted certificate of deposits are classified as held for trading investments and are accordingly included in short-term investments in the consolidated statement of financial position.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include, outstanding bank overdrafts shown within the borrowings in current liabilities in the statement of financial position.

3.10 Inventories

Inventories are valued at the lower of cost on a first-in-first out ('FIFO') basis and estimated net realisable value. Inventory costs include purchase price, freight inwards and transit insurance charges.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 1, 2009, the date of inception is deemed to be April 1, 2009 in accordance with the transitional exemption under IFRS 1, *"First Time Adoption of International Financial Reporting Standards"*.

a) **Group as a lessee**

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

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

b) **Group as a lessor**

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

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term.

c) **Capacity Swaps**

The exchange of network capacity is measured at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

d) **Indefeasible right to use ('IRU')**

As part of the operations, the Group enters into agreement for leasing assets under "Indefeasible right to use" with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the lessor. Hence, such arrangements are recognised as operating lease.

Direct expenditures incurred in connection with agreements are capitalised and expensed over the term of the agreement.

The contracted price is received in advance and is recognised as revenue during the year of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in non-current liabilities and the amount recognisable within one year as deferred revenue in current liabilities.

3.12 Financial instruments

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus, in the case of financial assets and liabilities not at fair value through profit or loss, directly attributable transaction costs.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 33.

A. Financial Assets

1. Financial assets - Recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

2. Financial assets - Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a) Financial assets at fair value through profit or loss

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance cost in the statement of comprehensive income.

The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

b) Financial assets measured at amortised cost

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables is grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, other financial assets measured at amortised cost are measured using the effective interest rate method (EIR), less impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income.

The Group does not have any Held-to-maturity investments.

3. Financial assets – Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

B. Financial liabilities

1. Financial liabilities - Measurement

The measurement of financial liabilities depends on their classification as follows:

Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the statement of comprehensive income.

2. Financial liabilities -Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

C. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

D. Derivative financial instruments - Current versus non-current classification

Derivative instruments that are not designated and effective hedging instruments are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e. the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivates that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

3.13 Compulsory Convertible Debentures

Compulsory Convertible Debentures are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability and measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is included in equity, net of transaction costs and is not re-measured in subsequent years.

3.14 Treasury shares

Own equity instruments which are reacquired (treasury shares) through Bharti Tele-Ventures Employees' Welfare Trust are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other components of equity.

3.15 Share-based compensation

The Group issues equity-settled share-based options to certain employees. Equity-settled share-based options are measured at fair value at the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Fair value is measured using lattice-based option valuation model, Black-Scholes and Monte Carlo Simulation framework and is recognised as an expense, together with a corresponding increase in equity, over the period in which the options vest using the graded vesting method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the stock-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.16 Employee benefits

The Group post employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

Under the defined benefit retirement plan, the Group provides for the retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to vested employees at retirement or termination of employment based on respective employee salary and years of experience in the Group.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the statement of financial position. Scheme liabilities are assessed using the projected unit funding method and applying the principal actuarial assumptions as at the date of statement of financial position. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the profit or loss as incurred.

The amount charged to the statement of comprehensive income in respect of these plans is included within operating costs or in the Group's share of the results of equity accounted operations as appropriate.

The Group's contributions to defined contribution plans are recognised in profit or loss as they fall due. The Group has no further obligations under these plans beyond its periodic contributions.

The employees of the Group are entitled to compensated absences based on the unavailed leave balance as well as other long-term benefits. The Group records liability based on actuarial valuation computed under projected unit credit method.

3.17 Foreign currency transactions

a) Functional and presentation currency

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

c) Translation of foreign operations' financial statements

The assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates prevailing during the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

d) Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the date of statement of financial position and the resultant change is recognised in statement of other comprehensive Income.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable, excluding discounts, rebates, and VAT, service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has generally concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

a) Service revenues

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

Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid cards are recognised based on actual usage. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortised over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Subscriber acquisition costs are expensed as incurred. On introduction of new prepaid products, processing fees on recharge coupons is being recognised 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 amortised over their expected customer relationship period of 12 months. Service revenue is recognised 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 recognised on provision of services while revenue from provision of bandwidth services is recognised over the period of arrangement.

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

Deferred revenue includes amount 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.

b) Equipment sales

Equipment sales consist primarily of revenues from sale of VSAT and internet equipment (hardware) and related accessories to subscribers. Revenue from such equipment sales are deferred and recognised over the customer relationship period.

c) Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and satellite services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of the arrangement in accordance with the principle in U.S. GAAP (Accounting Standards Codification 605-25) in respect of *"Revenue Arrangements with Multiple Deliverables"* applying the hierarchy in IAS 8.12.

Revenue is determined for each of the units of accounting on the basis of their fair values. Arrangements involving the delivery of bundled products or services shall be separated into individual elements, each with own separate revenue contribution. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e. ratio of the fair value of each element to the aggregated fair value of the bundled deliverables).

d) **Interest income**

For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the statement of comprehensive income.

e) **Dividend income**

Dividend income is recognised when the Group's right to receive the payment is established.

3.19 Taxes

a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred tax**

Deferred tax liability is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax benefits acquired as part of a business combination, but not satisfying the criteria for recognition on the date of acquisition, are recognised within the measurement period, if it results from new information about facts and circumstances that existed at the acquisition date with a corresponding reduction in goodwill. All other acquired deferred tax benefits realised are recognised in profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.20 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the average interest rate. All other borrowing costs are expensed in the period they occur.

3.21 Dividends Paid

Dividends paid are included in company financial statements in the periods in which the related dividends are approved by shareholders or Board of Directors, as appropriate.

3.22 Earnings per share

The Company's Earnings per Share ('EPS') is determined based on the net income attributable to the shareholders' of the parent company. Basic earnings per share are computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including Foreign Currency Convertible Bonds ("FCCBs"), and stock options (using the treasury stock method for options), except where the result would be anti-dilutive.

3.23 Provisions

a) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingencies

Contingent liabilities are only recognised at their fair value if they were assumed in the course of a business combination. Contingent liabilities not assumed in the course of a business combination are not recognised. Contingent assets are not recognized. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

c) Asset Retirement Obligation

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

4. Significant accounting judgements, estimates and assumptions

Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

4.1 Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Arrangement containing lease

The Group applies IFRIC 4, *"Determining Whether an Arrangement Contains a Lease"*, to contracts entered with telecom operators to share passive infrastructure services. IFRIC 4 deals with the method of identifying and recognizing service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments.

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that these contracts are in the nature of operating leases.

b) **Revenue recognition**

Presentation of Revenue: gross versus net:

The Group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has generally concluded that it is acting as a principal in all of its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

4.2 **Critical accounting estimates and assumptions**

Significant items subject to estimates and assumptions include the useful lives (other than for goodwill) and the evaluation of impairment of property, plant and equipment and identifiable intangible assets and goodwill, income tax, stock based compensation, the valuation of the assets and liabilities acquired in business combinations, fair value estimates, contingencies and legal reserves, asset retirement obligations, allocation of cost between capital and service agreement, residual value of fixed assets and the allowance for doubtful accounts receivable and advances. Actual results could differ from these estimates.

a) **Impairment reviews**

Impairment testing requires assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, timing and quantum of future capital expenditure; long term growth rates; and the selection of discount rates to reflect the risks involved.

The Group prepares and internally approves formal 5-10 year plans for its businesses and uses these as the basis for its impairment reviews. In certain markets which are forecast to grow ahead of the long-term growth rate for the market, further years will be used until the forecast growth rate trends towards the long-term growth rate, up to a maximum of ten years. Further details can be found in note 15 to the financial statements.

b) **Allowance for uncollectible accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

c) **Asset Retirement Obligations (ARO)**

In determining the fair value of the ARO provision the Group uses technical estimates to determine the expected cost to dismantle and remove the infrastructure equipment from the site and the expected timing of these costs. Discount rates are determined based on the government bond rate of a similar period as the liability.

d) **Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 12.

e) **Assets, liabilities and contingent liabilities acquired in a business combination**

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

Identifiable intangible assets acquired under business combination include licences, customer bases and brands. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset, where no active market for the assets exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets. The relative size of the Group's intangible assets, excluding goodwill, makes the judgements surrounding the estimated useful lives critical to the Group's financial position and performance. The carrying value of intangible assets has been disclosed in Note 14.

f) **Intangible assets**

Refer Note 3.6 for the estimated useful life of intangible assets.

g) **Property, plant and equipment**

Refer Note 3.7 for the estimated useful life of property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in profit or loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Furthermore, network infrastructure is depreciated over a period beyond the expiry of the associated licence, under which the operator provides telecommunications services, if there is a reasonable expectation of renewal or an alternative future use for the asset. Historically, changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

h) **Activation and installation fees**

The Group receives activation and installation fees from new customers. These fees together with directly attributable costs are amortised over the estimated duration of customer life. The estimated useful life principally reflects management's view of the average economic life of the customer base and is assessed by reference to key performance indicators (KPIs) which are linked to establishment/ascertainment of customer life. An increase in such KPIs may lead to a reduction in the estimated useful life and an increase in the amortisation income/charge.

5. **Standards issued but not yet effective up to the date of issuance of the Group's financial statements**

In November 2009, International Accounting Standards Board issued IFRS 9, "*Financial Instruments*", to reduce complexity of the current rules on financial instruments as mandated in IAS 39, "*Financial Instruments: Recognition and Measurement*". IFRS 9 has fewer classification and measurement categories as compared to IAS 39 and has eliminated held to maturity, available for sale and loans and receivables categories. Further it eliminates the rule based requirement of segregating embedded derivatives and tainting rules pertaining to held to maturity investments. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss. For financial liabilities, the amendment largely retains the existing classification and measurement requirements in IAS 39, with two exceptions:

a) The effects of changes in the own credit risk will not affect profit or loss for financial liabilities designated at fair value through profit or loss using the fair value option; and

b) Liabilities arising from derivatives on investments in unquoted equity instruments will no longer be measured at cost.

The Company is required to adopt the standard by the financial year commencing April 1, 2013. The Company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated financial statements.

The following Standards, Interpretations, amendments and improvements to IFRS have been issued as of March 31, 2011 but not yet effective and have not yet been adopted by the Group. These are not expected to have a material impact on the consolidated financial statements.

Sr. No.	IFRS	Month of Issue	Effective date - annual periods beginning on or after
1	IAS 24, "Related party Disclosures"	November, 2009	January 1, 2011
2	Amendment to IFRIC 14 IAS 19, *"The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"*	November, 2009	January 1, 2011
3	IFRIC 19, *"Extinguishing Financial Liabilities with Equity Instruments"*	November, 2009	July 1, 2010
4	Improvements to certain IFRS	May, 2010	April 1, 2011 and April 1, 2012
5	Amendment to IFRS 7, *"Financial Instruments: Disclosures"*	October, 2010	July 1, 2011
6	IAS 12, *"Income Taxes"*	December, 2010	January 1, 2012
7	IFRS 1, *"First-time Adoption of International Financial Reporting Standards"*	December, 2010	July 1, 2011

6. **Business Combination/acquisition of Non-Controlling Interest**

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

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

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

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

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

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

Recognised amount of Identifiable assets acquired and liabilities assumed

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

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

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

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

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

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

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

Analysis of cash flows on acquisition

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

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

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

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

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

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

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

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

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

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

As of June 8, 2010	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
Accounts Receivable	162	216	54
Other Receivable	23	23	-

Analysis of cash flows on acquisition

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

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

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

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

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

	As on August 27, 2010
Purchase consideration	
Cash (A)	2,903

Recognised amount of Identifiable assets acquired and liabilities assumed

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

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

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

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

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

Analysis of cash flows on acquisition

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

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

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

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

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

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

7. Operating expenses

	Notes	Year ended March 31, 2011	Year ended March 31, 2010
Access charges		74,718	44,806
Licence fees, revenue share and spectrum charges		52,600	40,875
Network operations cost		127,163	89,316
Employee costs	7.1	32,784	19,028
Selling, general and adminstrative expenses		107,743	56,814
		395,008	250,839

Selling, general and administrative expenses include following:

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

7.1 Employee costs

	Notes	Year ended March 31, 2011	Year ended March 31, 2010
Salaries, allowances & others		29,230	15,059
Defined contribution plan		797	702
Defined benefit plan		1,196	1,773
Stock based compensation		1,561	1,494
		32,784	19,028

7.2 Stock based compensation plans

The following table provides an overview of all existing stock option plans of the Group and its joint ventures:

Entity	Scheme	Plan	Year of issuance	Stock options granted (thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price	Classification/ accounting treatment
Bharti Airtel	Scheme I	2001 Plan	2002	30,893	1 - 4	7	10.68	Equity settled
Bharti Airtel	Scheme I	2004 Plan	2004	4,380	1 - 4	7	35.00	Equity settled
Bharti Airtel	Scheme I	Superpot	2004	143	1 - 3	7	-	Equity settled
Bharti Airtel	Scheme I	2006 Plan	2006	4,813	1 - 5	7	5.55	Equity settled
Bharti Airtel	Scheme 2005	2005 Plan	2005	11,232	1 - 4	7	237.30	Equity settled
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	8,783	1 - 3	7	352.05	Equity settled
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	1,651	3 - 4	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU)	2010	3,255	1 - 5	7	5.00	Equity settled
Bharti Infratel	Infratel plan	2008 Plan	2008	3,649	1 - 5	7	329.00	Equity settled
Indus Towers Ltd#	Indus Plan	2009 Plan	2009	1.20	1 - 4	7	249,300.00	Equity settled

The following table exhibits the net compensation expense under respective schemes:

Entity	Scheme	Plan	Year ended March 2011	Year ended March 2010
Bharti Airtel	Scheme I	2001 Plan	-	-
Bharti Airtel	Scheme I	2004 Plan	-	-
Bharti Airtel	Scheme I	Superpot	-	-
Bharti Airtel	Scheme I	2006 Plan	**176**	186
Bharti Airtel	Scheme 2005	2005 Plan	**84**	163
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	**295**	517
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	**120**	72
Bharti Airtel	Scheme 2005	Special ESOP & Ristricted Share Units (RSU)	**420**	-
Bharti Infratel	Infratel plan	2008 Plan	**371**	498
Indus Towers Ltd#	Indus Plan	2009 Plan	**95**	58
			1,561	1,494

Information concerning the stock options issued to directors, officers and employees is presented below:

(Shares in Thousands)	As of March 31, 2011		As of March 31, 2010		As of April 1, 2009	
	Number of stock options	Weighted average exercise price (₹)	Number of stock options	Weighted average exercise price (₹)	Number of stock options	Weighted average exercise price (₹)
Scheme I - 2001 plan						
Number of shares under option:						
Outstanding at beginning of year	16	60.00	36	32.92	73	44.48
Granted	-	-	-	-	-	-
Exercised	(16)	60.00	(4)	11.25	(23)	11.25
Expired	-	-	(16)	11.25	-	-
Forfeited	-	-	-	-	(14)	11.25
Outstanding at year end	-	-	16	60.00	36	32.92
Exercisable at end of year	-	-	16	60.00	36	32.92
Scheme I - 2004 plan						
Number of shares under option:						
Outstanding at beginning of year	170	35.00	576	35.00	955	35.00
Granted	-	-	-	-	-	-

(Shares in Thousands)	As of March 31, 2011		As of March 31, 2010		As of April 1, 2009	
	Number of stock options	Weighted average exercise price (₹)	Number of stock options	Weighted average exercise price (₹)	Number of stock options	Weighted average exercise price (₹)
Exercised	(170)	35.00	(406)	35.00	(379)	35.00
Expired	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Outstanding at year end	-	-	170	35.00	576	35.00
Exercisable at end of year	-	-	170	35.00	576	35.00
Scheme I - Superpot						
Number of shares under option:						
Outstanding at beginning of year	12	-	12	-	12	-
Granted	-	-	-	-	-	-
Exercised	(4)	-	-	-	-	-
Expired	-	-	-	-	-	-
Forfeited	(8)	-	-	-	-	-
Outstanding at year end	-	-	12	-	12	-
Exercisable at end of year	-	-	12	-	12	-
Scheme I - 2006 plan						
Number of shares under option:						
Outstanding at beginning of year	2,096	5.50	2,410	5.77	2,785	5.95
Granted	867	5.00	454	5.00	261	5.00
Exercised	(554)	5.00	(640)	6.24	(36)	26.98
Expired	-	-	-	-	-	-
Forfeited	(352)	5.00	(128)	5.00	(600)	5.00
Outstanding at year end	2,057	5.51	2,096	5.50	2,410	5.77
Exercisable at end of year	832	6.27	357	7.96	68	5.00
Scheme 2005 - 2005 plan						
Number of shares under option:						
Outstanding at beginning of year	4,515	292.34	5,998	274.44	7,682	271.40
Granted	-	-	-	-	-	-
Exercised	(568)	148.73	(920)	128.37	(478)	134.08
Expired	-	-	-	-	-	-
Forfeited	(479)	339.29	(563)	365.28	(1,206)	310.73
Outstanding at year end	3,468	309.34	4,515	292.34	5,998	274.44
Exercisable at end of year	2,816	280.68	2,576	228.52	1,876	189.95
Scheme 2005 - 2008 plan and AGP						
Number of shares under option:						
Outstanding at beginning of year	7,031	354.94	5,794	330.97	-	-
Granted	-	-	2,566	402.50	6,216	331.22
Exercised	(11)	336.50	(1)	336.50	-	-
Expired	-	-	-	-	-	-
Forfeited	(1,105)	353.96	(1,328)	342.28	(422)	334.64
Outstanding at year end	5,915	355.16	7,031	354.94	5,794	330.97
Exercisable at end of year	3,043	345.70	1,282	331.36	-	-
Scheme 2005 - PSP 2009 plan						
Number of shares under option:						
Outstanding at beginning of year	1,282	5.00	-	-	-	-
Granted	328	5.00	1,323	5.00	-	-
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Forfeited	(154)	5.00	(41)	5.00	-	-
Outstanding at year end	1,456	5.00	1,282	5.00	-	-
Exercisable at end of year	-	-	-	-	-	-

(Shares in Thousands)	As of March 31, 2011		As of March 31, 2010		As of April 1, 2009	
	Number of stock options	Weighted average exercise price (₹)	Number of stock options	Weighted average exercise price (₹)	Number of stock options	Weighted average exercise price (₹)
Scheme 2005 - Special ESOP & RSU Plan						
Number of shares under option:						
Outstanding at beginning of year	-	-	-	-	-	-
Granted	3,255	5.00	-	-	-	-
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Forfeited	(280)	5.00	-	-	-	-
Outstanding at year end	2,975	5.00	-	-	-	-
Exercisable at end of year	-	-	-	-	-	-
Infratel Options*						
Number of shares under option:						
Outstanding at beginning of year	2,898	340.00	2,000	340.00	-	-
Granted	654	329.00	995	340.00	2,000	340.00
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Forfeited	(306)	329.00	(97)	340.00	-	-
Outstanding at year end	3,246	329.00	2,898	340.00	2,000	340.00
Exercisable at end of year	983	329.00	482	340.00	-	-
** The exercise price of the options granted has been changed from ₹ 340 per option to ₹ 329 per option during the year ended March 31, 2011.*						
Indus Options#						
Number of shares under option:						
Outstanding at beginning of year	0.84	249,300.00	-	-	-	-
Granted	0.30	249,300.00	0.90	249,300.00	-	-
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Forfeited	(0.14)	249,300.00	(0.06)	249,300.00	-	-
Outstanding at year end	1.00	249,300.00	0.84	249,300.00	-	-
Exercisable at end of year	0.10	249,300.00	-	-	-	-

The following table summarizes information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

Entity	Plan	Options Outstanding (thousands)	Remaining Contractual term (years)	Options Granted		Options Excercised	
				Options	Weighted Average Fair Value	Options	Weighted Average Share Price
Bharti Airtel	2001 Plan	-	-	-	-	16	328.40
Bharti Airtel	2004 Plan	-	-	-	-	170	340.23
Bharti Airtel	Superpot	-	-	-	-	4	347.55
Bharti Airtel	2006 Plan	2,057	2.17 to 6.94	867	287.39	554	343.53
Bharti Airtel	2005 Plan	3,468	1.44 to 3.92	-	-	568	336.63
Bharti Airtel	2008 Plan Annual grant plan	5,915	4.25 to 5.25	-	-	11	334.84
Bharti Airtel	PSP 2009 Plan	1,456	5.34 to 6.34	328	281.97	-	-
Bharti Airtel	Special ESOP & RSU	2,975	6.01 to 6.19	3,255	280.17	-	-
Bharti Infratel	2008 Plan	3,246	4.42 to 6.36	654	468.00	-	-
Indus Towers Ltd#	2009 Plan	1.00	5.42 to 6.42	0.3	340,750.00	-	-

Represents 42% of the total number of shares, under the option plan of the Joint Venture Company.

The fair value of options granted was estimated on the date of grant using the Black-Scholes/Lattice/Monte Carlo Simulation valuation model with the following assumptions:

	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
Risk free interest rates	7.14% to 8.84%	5.35% to 8.50%	4.45% to 9.70%
Expected life	48 to 72 months	48 to 84 months	48 to 72 months
Volatility	37.26% to 58%	36.13% to 58%	36.23% to 49.26%
Dividend yield	0 to 0.39%	0% to 0.31%	0.00%
Weighted average share price on the date of grant exluding Infratel and Indus	256.95 to 368.00	307.42 to 412.13	308.40 to 416.27
Weighted average share price on the date of grant - Infratel	658	680	680
Weighted average share price on the date of grant - Indus	498,600	498,600	-

The expected life of the share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

The volatility of the options is based on the historical volatility of the share price since the Group's equity shares became publicly traded.

During the year ended March 31, 2011, Bharti Airtel Employee Welfare Trust ('trust') (a trust set up for administration of ESOP Schemes of the Company) has acquired 1,157,025 Bharti Airtel equity shares from the open market at an average price of ₹ 347.44 per share and has transferred 578,726 shares to the employees of the Company upon exercise of stock options, under ESOP Scheme 2005.

8. Other income

	Year ended March 31, 2011	Year ended March 31, 2010
Miscellaneous income	635	221
Rental income from Site Sharing	711	476
	1,346	697

9. Depreciation and amortisation

	Notes	Year ended March 31, 2011	Year ended March 31, 2010
Depreciation	13	86,980	60,816
Amortisation	14	15,086	2,016
		102,066	62,832

10. Non-operating Expense

The Group's and its joint ventures', non-operating expense consisting of charity and donations for the years ended March 31, 2011, March 31, 2010, are ₹ 292, and ₹ 181, respectively.

11. Finance income and costs

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

"Interest income on Others" include ₹ 259 and ₹ 160 towards unwinding of discount on other financial assets for years ended March 31, 2011 and March 31, 2010, respectively.

"Interest on borrowings" includes ₹ Nil and ₹ 2,672 towards unwinding of interest on compounded financial instruments for years ended March 31, 2011 and March 31, 2010, respectively.

"Other finance charges" comprise bank charges, trade finance charges and charges relating to derivative instruments and includes ₹ 175 and ₹ 120 towards unwinding of discount on other financial liabilities for years ended March 31, 2011 and March 31, 2010, respectively.

12. Income taxes

The major components of the income tax expense are:

	Year ended March 31,	
	2011	2010
Current Income Tax		
- India	20,177	21,182
- Overseas	3,642	101
	23,819	21,283
Deferred Tax*		
- Relating to origination and reversal of temporary differences	(5,644)	(8,477)
Tax expense attributable to current year's profit	18,175	12,806
Adjustments in respect of income tax of previous year		
- Current Income Tax	142	1,036
- Deferred Tax*	(527)	(389)
	(385)	647
Income tax expense recorded in the Consolidated Statement of Comprehensive Income	17,790	13,453
Consolidated Statement of Change in Equity		
Deferred tax related to items charged or credited directly to equity during the year:		
- Extension of conversion of compulsory convertible debt net of amount transferred to equity on early redemption of the same	-	376
Deferred Tax charged/(credited) directly to Equity	-	376

Note:

* Includes minimum alternate tax (MAT) credit of ₹ 14,140 and ₹ 11,320 during the years ended March 31, 2011 and March 31, 2010, respectively.

During the years ended March 31, 2011 and March 31, 2010, the Company recognised additional income tax charge of ₹ 2,980 and ₹ 6,872 under 'current income tax' and additional MAT credit of ₹ 2,980 and ₹ 6,872 under 'deferred tax', respectively on account of change in effective MAT rate from 16.995% to 19.9305% during the financial year 2010-11 and from 11.33% to 16.995% during the financial year 2009-10.

The reconciliation between tax expense and product of net income before tax multiplied by enacted tax rates in India is summarized below:

	Year ended March 31,	
	2011	2010
Net Income before taxes	76,782	105,091
Enacted tax rates in India	33.22%	33.99%
Computed tax expense	25,505	35,721
Increase/(reduction) in taxes on account of:		
Share of losses in associates	19	16
Benefit claimed under tax holiday provisions of Income Tax Act	(19,679)	(25,233)
Temporary differences reversed during the tax holiday period	726	(305)
Effect of Changes in tax rate	(118)	-
Adjustment in respect to current income tax of previous years	142	1,036
Adjustment in respect to MAT credit of previous years	(345)	(887)
Deferred tax recognised in respect of previous years	(182)	498
Effect of different tax rate in other countries	1,123	(254)
Losses and deductible temporary difference against which no deferred tax asset recognised	9,052	1,835
(Income)/Expenses (net) not taxable/ deductible	484	575
Reversal of previously recognised Deferred tax asset	129	-
Others	934	451
Income tax expense recorded in the Consolidated Statement of Comprehensive Income	17,790	13,453

The components that gave rise to deferred tax assets and liabilities are as follows:

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Deferred Tax Asset/ (Liabilities)			
Provision for Impairment of Debtors and Advances	7,058	5,122	4,312
Losses available for offset against future taxable income	1,977	2,193	1,605
Employee Stock Options	1,001	840	426
License Fees	648	848	900
Post employment benefits	380	343	445
Minimum Tax Credit	28,543	14,403	3,083
Lease Rent Equalization - Expense	3,707	2,706	1,587
Fair valuation of Derivative Instruments and unrealised exchange fluctuation	1,247	(342)	1,307
Accelerated depreciation for tax purposes	(8,222)	(14,810)	(11,559)
Fair valuation of intangibles/ property plant and equipments on business combination	1,548	(773)	(824)
Lease Rent Equalisation - Income	(2,749)	(1,797)	(786)
Fair valuation of compulsory convertible debentures	-	-	(532)

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Deferred tax liability on undistributed retained earnings of foreign subsidiaries	(2,545)	-	-
Others	(19)	19	298
Net Deferred tax Asset/ (Liabilities)	32,574	8,752	262

	Year ended March 31,	
	2011	2010
Deferred Tax (Expenses)/Income		
Provision for Impairment of Debtors and Advances	(949)	811
Losses available for offset against future taxable income	(732)	588
Employee Stock Options	162	414
License Fees	(200)	(53)
Post employment benefits	38	(102)
Minimum Tax Credit	14,140	11,320
Lease Rent Equalisation - Expense	1,002	1,120
Fair valuation of Derivative Instruments and unrealised exchange fluctuation	403	(1,649)
Accelerated depreciation for tax purposes	(4,393)	(3,251)
Fair valuation of intangibles/property plant and equipments on business combination	(2,692)	51
Lease Rent Equalisation - Income	(953)	(1,011)
Fair valuation of compulsory convertible debentures	-	907
Others	345	(279)
Net Deferred Tax (Expenses)/Income	6,171	8,866

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Reflected in the statement of financial position as follows:			
Deferred Tax Asset	45,061	12,489	3,987
Deferred Tax Liabilities	(12,487)	(3,737)	(3,725)
Deferred Tax Asset Net	32,574	8,752	262

The reconciliation of deferred tax assets net is as follows:

	Year ended March 31,	
	2011	2010
Opening Balance	8,752	262
Tax Income/(expense) during the year recognized in profit and loss	6,171	8,866
Tax Income/(expense) during the year recognised in equity	-	(376)
Deferred taxes acquired in business combination	18,434	-
Translation adjustment	(783)	-
Closing Balance	32,574	8,752

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unused tax credits and unused tax losses of ₹ 77,846, ₹ 23,823 and ₹ 1,907 as of March 31, 2011, March 31, 2010 and March 31, 2009, respectively as it is not probable that taxable profits will be available in future. The tax rates applicable to these unused losses and deductible temporary differences vary from 3% to 45% depending on the jurisdiction in which the respective Group entities operate. Of the above balance as of March 31, 2011, losses and deductible temporary differences to the extent of ₹ 24,644 have an indefinite carry forward period and the balance amount expires unutilized as follows:

March 31,	
2012	2,235
2013	5,362
2014	12,690
2015	10,578
2016	10,493
Thereafter	11,844
	53,202

The Group has not recognised deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve of Group subsidiaries and joint ventures as the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future. The taxable temporary difference associated with respect to unremitted retained earnings and associated foreign currency translation reserve is ₹ 38,021, ₹ 15,853 and ₹ 9,696 as of March 31, 2011, March 31, 2010 and March 31, 2009, respectively.

13. Property, plant and equipment

Property plant and equipment consist of the following:

Particulars	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and construction in progress	Total
Cost					
As of April 1, 2009	**7,766**	**501,599**	**23,302**	**40,100**	**572,767**
Additions	3,105	-	4,729	97,934	105,768
Acquisition through Business Combinations	68	7,732	730	393	8,923
Disposals	(208)	(7,182)	(158)	-	(7,548)
Currency translation	(6)	(1,592)	(74)	(116)	(1,788)
Reclassification/adjustment	85	113,858	(309)	(113,634)	-
As of March 31, 2010	**10,810**	**614,415**	**28,220**	**24,677**	**678,122**
Cost					
As of April 1, 2010	**10,810**	**614,415**	**28,220**	**24,677**	**678,122**
Additions	1,711	-	8,292	130,976	140,979
Acquisition through Business Combinations	5,620	95,600	8,886	11,994	122,100
Disposals	(82)	(3,369)	(1,068)	(1)	(4,520)
Currency translation	(25)	(2,334)	(241)	(874)	(3,474)
Reclassification/adjustment *	(141)	118,693	(1,348)	(118,538)	(1,334)
As of March 31, 2011	**17,893**	**823,005**	**42,741**	**48,234**	**931,873**

Particulars	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and construction in progress	Total
Accumulated Depreciation					
As of April 1, 2009	**1,951**	**118,239**	**16,095**	-	**136,285**
Charge	718	55,993	4,105	-	60,816
Disposals	(199)	(525)	(146)	-	(870)
Currency translation	(5)	(693)	(40)	-	(738)
Reclassification/adjustment	13	(11)	(2)	-	-
As of March 31, 2010	**2,478**	**173,003**	**20,012**	-	**195,493**
Charge	1,050	77,471	8,459	-	86,980
Disposals	(57)	(1,911)	(785)	-	(2,753)
Currency translation	99	518	124	-	741
Reclassification/adjustment *	(6)	21	(29)	-	(14)
As of March 31, 2011	**3,564**	**249,102**	**27,781**	-	**280,447**
Net Carrying Amount					
As of April 1, 2009	5,815	383,360	7,207	40,100	436,482
As of March 31, 2010	8,332	441,412	8,208	24,677	482,629
As of March 31, 2011	14,329	573,903	14,960	48,234	651,426

*₹ 1,334 and ₹ 14 gross block and accumulated depreciation respectively, has been reclassified from 'other equipments, operating and office equipments' to intangible assets – 'software'.

“Other equipment, operating and office equipment” include gross block of assets capitalised under finance lease ₹ 48, ₹ 82 and ₹ 12 as on March 31, 2011, March 31, 2010 and March 31, 2009, respectively and the corresponding accumulated depreciation for the respective periods ₹ 15, ₹ 1 and ₹ 7.

“Land and Building” include gross block of assets capitalised under finance lease ₹ 914, ₹ Nil and ₹ Nil as on March 31, 2011, March 31, 2010 and March 31, 2009, respectively and the corresponding accumulated depreciation for the respective periods ₹ 67, ₹ Nil and ₹ Nil.

The “advance payments and construction in progress” includes ₹ 46,988 (including ₹ 268 due from a related party), ₹ 24,176 and ₹ 38,450 towards technical equipment and machinery and ₹ 1,246, ₹ 501 and ₹ 1,650 towards other assets as on March 31, 2011, March 31, 2010 and March 31, 2009, respectively.

The Group and its joint ventures have taken borrowings from banks and financial institutions (refer note 26 for details towards security and pledge).

During the year, one of the Group company have revised the useful life of customer premises equipments from 3 years to 5 years effective April 1, 2010. The change in estimate resulted in lower depreciation to the extent of ₹ 2,344 for the year ended March 31, 2011 with a corresponding increase in the net block of assets.

14. Intangible assets

Intangible assets comprises of following:

Particulars	Goodwill	Software	Bandwidth	Licence	Other acquired intangibles	Total
Cost						
As of April 1, 2009	**38,426**	**1,367**	**3,363**	**18,458**	**4,744**	**66,358**
Additions	-	2,056	510	-	-	2,566
Acquisition through Business Combinations	6,974	89	-	3,065	354	10,482
Currency translation	(523)	(27)	(297)	(126)	(7)	(980)
As of March 31, 2010	**44,877**	**3,485**	**3,576**	**21,397**	**5,091**	**78,426**
Additions	-	2,010	1,984	161,426	549	165,969
Acquisition through Business Combinations	351,854	48	-	71,696	9,551	433,149
Currency translation	(6,044)	(54)	515	(2,526)	(39)	(8,148)
Reclassification/adjustment *	-	1,334	-	-	-	1,334
As of March 31, 2011	**390,687**	**6,823**	**6,075**	**251,993**	**15,152**	**670,730**
Accumulated amortisation						
As of April 1, 2009	**2,637**	**742**	**307**	**8,224**	**4,650**	**16,560**
Charge	-	629	253	1,106	28	2,016
Currency translation	-	(20)	7	(27)	-	(40)
As of March 31, 2010	**2,637**	**1,351**	**567**	**9,303**	**4,678**	**18,536**
Accumulated amortisation						
As of April 1, 2010	**2,637**	**1,351**	**567**	**9,303**	**4,678**	**18,536**
Charge	-	1,464	299	7,348	5,975	15,086
Currency translation	-	(22)	(25)	(229)	53	(223)
Reclassification/adjustment *	-	14	-	-	-	14
As of March 31, 2011	**2,637**	**2,807**	**841**	**16,422**	**10,706**	**33,413**
Net Carrying Amount						
As of April 1, 2009	35,789	625	3,056	10,234	94	49,798
As of March 31, 2010	42,240	2,134	3,009	12,094	413	59,890
As of March 31, 2011	388,050	4,016	5,234	235,571	4,446	637,317

* ₹ 1,334 and ₹ 14 gross block and accumulated depreciation respectively, has been reclassified from property, plant and equipment - ‘other equipments, operating and office equipments’ to ‘software’.

None of the intangible assets reported above are under pledge or held as security for any liability of the Group and its joint ventures.

During the year ended March 31, 2011, the Company successfully bid for "Third Generation" licence (3G) for a sum of ₹ 122,982 and "Broadband & Wireless Access" (BWA) licence for a sum of ₹ 33,144. Licence fee includes ₹ 50,896, services with respect to which have not been launched as of March 31, 2011 and are therefore not amortised.

During the years ended March 31, 2011 and March 31, 2010, the Group and its joint ventures have capitalized borrowing cost of ₹ 4,314 and ₹ Nil, respectively.

Weighted average remaining amortization period of license as of March 31, 2011 is 19.32 years.

15. Impairment reviews

The Group tests goodwill for impairment annually on September 30, and whenever there are indicators of impairment. The testing is done at cash-generating units (CGU) level for which discrete financial information is available using the discounted cash flow approach.

During current financial year, impairment testing for goodwill was conducted by the Group on September 30. The testing didn't result in any impairment in the carrying value of goodwill. Previously the Group conducted impairment testing for goodwill on March 31, 2009, the transition date, as required by IFRS 1.C4. (g)(ii).

If some or all of the goodwill, allocated to a cash-generating unit, is recognised in a business combination during the year, that unit is tested for impairment before the end of that year. Thereafter impairment testing is carried out annually on September 30, and whenever there are indicators of impairment.

The carrying amount of the goodwill has been allocated to the following CGU/ Group of CGUs:

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Mobile Services - India & SA	37,789	38,148	31,196
Enterprise Services	4,050	4,092	4,593
Mobile Services - Africa	346,211	-	-
Total	388,050	42,240	35,789

The measurements of the cash generating units are found on projections that are based on five to ten years, as applicable, financial plans that have been approved by management and are also used for internal purposes. The Company has used ten year plans for its India CGU's in view of the reasonable visibility of 10 years of Indian telecom market and consistent use of such robust ten year information for management reporting purpose. The planning horizon reflects the assumptions for short-to-mid term market developments. Cash flows beyond the planning period are extrapolated using appropriate growth rates. The terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

Key assumptions used in value-in-use calculations

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added services from the existing and new customers, though these benefits are offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company, at the same time factors like higher churn, increased cost of subscriber acquisition may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to the Company. The discount rate was estimated based on the average percentage of weighted average cost of capital for the Company. Pre-tax discount rate used ranged from 10% to 23% (higher rate used for CGU 'Mobile Services – Africa').

Growth rates: The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the forecasts included in the industry reports. The average growth rates used to extrapolate cash flows beyond the planning period ranged from 1% to 5% (higher rate used for CGU 'Mobile Services – Africa').

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of these units to exceed its recoverable amount.

16. Investment in associates and joint ventures

16.1 Investment in associates

The details of associates are set out in Note 42.

The Group's interest in certain items in the statement of comprehensive income and the statement of financial position of the associates are as follows:

Share of associates revenue and profit:	Year ended March 2011	Year ended March 2010
Revenue	1,605	568
Total Expense	(1,850)	(616)
Net Finance cost	(35)	-
Profit before income tax	(280)	(48)
Income tax expense	-	-
Profit/(Loss) for the year	(280)	(48)
Unrecognised Profits/(Losses)	(223)	-
Recognised Losses	(57)	(48)
Carrying Value of Investment	-	57

Share in associates statement of financial position:	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Assets	2,091	491	14
Liabilities	1,834	434	0
Equity	257	57	14

As of March 31, 2011, the equity shares of associates are unquoted.

16.2 Investment in joint ventures

The financial summary of joint ventures proportionately consolidated in the statement of financial position and statement of comprehensive income before elimination is as below:

	Year ended March 31, 2011	Year ended March 31, 2010
Share in joint ventures' revenue and profit:		
Revenue	45,243	37,558
Total expense	(38,092)	(32,845)
Net finance cost	(4,112)	(3,653)
Profit before income tax	3,039	1,060
Income tax expense	(1,011)	(360)
Profit for the year	2,028	700

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Share in joint ventures' statement of financial position:			
Current assets	13,308	13,070	10,251
Non-current assets	51,636	42,870	30,081
Current liabilities	17,646	14,277	36,715
Non-current liabilities	45,313	41,801	4,504
Equity	1,985	(138)	(887)

The details of joint ventures are set out in Note 42.

Share of joint ventures' commitments and contingencies is disclosed in Note 37.

17. Derivative financial Instruments

The Group uses foreign exchange option contracts, swap contracts or forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency and interest exposures.

The details of derivative financial instruments are as follows:-

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Assets			
Currency swaps and forward contracts	3,979	2,407	6,684
Interest rate swaps	-	3	6
Embedded derivatives	701	1,071	4,443
	4,680	3,481	11,133
Liabilities			
Currency swaps and forward contracts	308	511	164
Interest rate swaps	103	184	227
Embedded derivatives	57	9	-
	468	704	391
Bifurcation of above derivative instruments into current and non-current			
Non-current derivative financial assets	1,998	3,337	6,571
Current derivative financial assets	2,682	144	4,563
Non-current derivative financial (liabilities)	(151)	(289)	(227)
Current derivative financial (liabilities)	(317)	(415)	(164)
	4,212	2,777	10,743

Embedded derivative

The Group entered into long term purchase contracts denominated/ determined in foreign currencies. The value of these contract changes in response to the changes in specified foreign currency. Some of these contracts have embedded foreign currency derivatives having economic characteristics and risks that are not closely related to those of the host contracts. These embedded foreign currency derivatives have been separated and carried at fair value through profit or loss.

18. Other financial assets, non current

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Security deposits	5,428	6,108	4,379
Restricted Cash	653	293	12
Others	1,849	967	283
	7,930	7,368	4,674

Security deposits primarily include security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

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

19. Other Non-financial assets, non-current

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Fair valuation adustment - financial assets *	3,301	3,308	1,714
Restricted assets	5,954	4,177	1,942
	9,255	7,485	3,656

* represents unamortised portion of the difference between the fair value of the financial assets (security deposits) on initial recognition and the amount received.

Restricted assets represent payments made to various Government authorities under protest.

20. Inventories

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Transmission equipment	516	231	315
SIM cards	257	247	640
Handsets	1,356	-	-
Others	10	6	7
Total	2,139	484	962

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

21. Trade and other receivables

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Trade receivables*	60,156	42,900	38,152
Less: Allowance for doubtful debts	(13,538)	(12,460)	(9,946)
Total Trade receivables	**46,618**	**30,440**	**28,206**
Other receivables			
Due from related party	1,670	1,689	1,372
Receivables from joint ventures	6,500	3,524	11,598
Interest accrued on investments	141	58	144
Total	54,929	35,711	41,320

Movement in allowances of doubtful debts

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

*Trade receivables include unbilled receivables.

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

22. Prepayments and other assets

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Prepaid expenses	12,024	4,772	4,513
Employee receivables	277	165	162
Advances to Suppliers	8,083	3,246	3,666
Other taxes receivable	8,088	10,966	17,962
Others	2,032	1,686	869
	30,504	20,835	27,172

Others include advance rentals of ₹ 783, ₹ 1,176 and ₹ 709 as of March 31, 2011, March 31, 2010 and March 31, 2009, respectively.

Employee receivables principally consist of advances given for business purposes.

Other taxes receivables include customs duty, excise duty, service tax, sales tax and other recoverable.

23. Short-term investments

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

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

The Group and its joint venture have taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under Note 26.

24. Other financial assets, current

Other financial assets comprise restricted cash, i.e. the amounts deposited under lien with various Government authorities.

25. Cash and cash equivalents

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Cash and bank balances	8,839	10,142	3,569
Fixed deposits with banks	736	10,539	9,373
Certificate of deposits - held for trading	-	4,642	1,490
	9,575	25,323	14,432

For the purpose of the consolidated cash flow statement, cash and cash equivalent comprise of following:-

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Cash and bank balances	8,839	10,142	3,569
Fixed deposits with banks	736	10,539	9,373
Certificate of deposits - held for trading	-	4,642	1,490
Less :- Bank overdraft (refer note 26.2)	(3,567)	(362)	(2,031)
	6,008	24,961	12,401

26. Borrowings

26.1 Long-term debts

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Secured			
Term loans	112,141	48,749	5,972
Non-convertible debentures (NCDs)	125	375	500
Others	89	120	17
Total	**112,355**	**49,244**	**6,489**
Less: Current portion (Payable within 1 year)	(35,650)	(3,156)	(146)
Total secured loans, net of current portion	**76,705**	**46,088**	**6,343**
Unsecured			
Term Loans	475,137	42,625	70,031
Convertible Debentures	-	-	30,471
FCCB's	-	-	24
Total	**475,137**	**42,625**	**100,526**
Debt origination cost	-	-	-
Less: Current portion (payable within 1 year)	(19,504)	(7,239)	(53,469)
Total unsecured loans, net of current portion	**455,633**	**35,386**	**47,057**
Total	532,338	81,474	53,400

26.2 Short-term debts and current portion of long-term debts

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Secured			
Term loans	-	-	7,770
Bank overdraft	1,805	-	-
Total	**1,805**	-	**7,770**
Add: Current portion (Payable within 1 year)	35,650	3,156	146
Total secured loans, including current portion	**37,455**	**3,156**	**7,916**
Unsecured			
Term Loans	25,649	9,667	16,205
Bank overdraft	1,762	362	2,031
Total	**27,411**	**10,029**	**18,236**
Add: Current portion (payable within 1 year)	19,504	7,239	53,469
Total unsecured loans, including current portion	**46,915**	**17,268**	**71,705**
Total	**84,370**	**20,424**	**79,621**

26.3 Analysis of Borrowings

26.3.1 Maturity of borrowings

The table below summarizes the maturity profile of the Group's and its joint ventures' borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost.

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Within one year	84,370	20,424	79,621
Between one and two years	112,213	18,250	9,516
Between two and five years	327,706	43,036	32,789
over five years	96,492	21,074	11,902
Total	**620,781**	**102,784**	**133,828**

26.3.2 Interest rate and currency of borrowings

	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	100,803	90,897	9,906
USD	454,332	454,332	-
JPY	16,626	16,626	-
NGN	35,178	35,178	-
XAF	5,399	1,107	4,292
Others	8,443	7,427	1,016
March 31, 2011	**620,781**	**605,567**	**15,214**
INR	44,733	40,918	3,815
USD	40,270	40,270	-
JPY	17,608	17,608	-
Others	173	-	173
March 31, 2010	**102,784**	**98,796**	**3,988**
INR	58,612	11,169	47,443
USD	36,828	36,804	24
JPY	38,388	38,388	-
April 1, 2009	**133,828**	**86,361**	**47,467**

The above details are gross of debt origination cost.

26.4 Non-convertible debenture

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
11.70%, 5 redeemable non-convertible debentures for ₹ 10 each repayable in 4 equated half yearly instalments beginning December 2009	13	38	50
11.70%, 45 redeemable non-convertible debentures for ₹ 10 each repayable in 4 equated half yearly instalments beginning December 2009	112	337	450
Total	**125**	**375**	**500**

26.5 Compulsory convertible debentures

In March 2008, the Group issued unsecured non interest bearing fully Compulsory Convertible Debentures for ₹ 30,256 in relation to dilution of its holding in Bharti Infratel Limited (BIL). The debentures were convertible into equity shares of BIL in September 2009 or earlier. During the year ended March 31, 2009, the Group further issued unsecured non interest bearing fully Compulsory Convertible Debentures for ₹ 1,779 aggregating the compulsory convertible debentures to ₹ 32,035.

On October 28, 2009, the Group converted non interest bearing 118,650 fully Compulsory Convertible Debentures into 1,182,270 equity shares of ₹ 10 each at a premium of ₹ 993.58 per share. On March 26, 2010, remaining 3,084,900 Debentures have been converted into 39,120,640 equity shares of ₹ 10 each at a premium of ₹ 778.56 per share.

26.6 Other loans

Others include vehicle loans taken from banks which were secured by the hypothecation of the vehicles ₹ 89, ₹ 120 and ₹ 17 as of March 31, 2011, March 31, 2010 and March 31, 2009, respectively.

The amounts payable for the capital lease obligations, excluding interest expense is ₹ 49, ₹ 32 and ₹ 8 for the years ended March 31, 2012, 2013 and 2014, respectively.

26.7 Security details

The Group and its joint ventures have taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and FIIs taken by parent, subsidiaries and joint ventures. The details of security provided by the Group and its joint venture in various countries, to various banks on the assets of parent, subsidiaries or JV's are as follows:

Entity	Relation	Outstanding loan amount			Security Detail
		As of March 31, 2011	As of March 31, 2010	As of April 1, 2009	
Bharti Airtel Ltd.	Parent	218	452	517	(i) first ranking *pari passu* charge on all present and future tangible movable and freehold immovable properties including plant and machinery, office equipment, furniture and fixtures fittings, spares tools and accessories; (ii) all rights, titles, interests in the accounts, and monies deposited and investments made there from and in project documents, book debts and insurance policies;
Bharti Infratel Ltd.	Subsidiary	-	6,000	6,000	First ranking *pari passu* charge amongst the senior secured creditors and second rank *pari passu* amongst the second secured creditors on all present and future tangible movable and immovable assets (excluding land) owned by the Company including plant and machinery, office equipment, furniture and fixtures, spares tools and accessories.
Indus Towers Ltd.	Joint Venture	37,170	34,860	7,770	(i) a mortgage and first charge of all the Joint Venture's freehold immovable properties, present and future; (ii) a first charge by way of hypothecation of the Joint Venture Company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future; (iii) a charge on Joint Venture Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject to prior charge in favour of working capital facilities with working capital facility limits not exceeding ₹ 1,000 crore (amount in absolute figures) including funded facilities not exceeding ₹ 500 crore (amount in absolute figures); (iv) an assignment and first charge of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Joint Venture Company in the documents related to telecom tower rollout and upgradation of existing towers (except the Master Services Agreement), duly acknowledged and consented to by the relevant counter-parties to such documents, all as amended, varied or supplemented from time to time. (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the documents related to. (v) a first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Master Services Agreements together with the Service Contracts, all as amended, varied or supplemented from time to time; (vi) first charge on debt service reserve (DSR) of an amount equal to the aggregate principal amount of the Loan along with interest required to be repaid in one quarter be created immediately upon an Event of Default and maintained to secure a payment default, in case an Event of default occurs and is continuing or failure to maintain any of the Financial Covenants as mentioned in the relevant loan agreement.
Airtel Bangladesh Ltd.	Subsidiary	5,852	8,272	-	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking *pari passu* fixed charge over listed machinery and equipment of the Company, favouring the Bank/FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking *pari passu* floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the Company, both present and future, including but not limited to stock, book debts, receivables and accounts of the Company, entered into or to be entered into by the Company, favouring the Bank/FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies. (iii) Irrevocable General Power of Attorney dated entered into or to be entered into by the Company in favour of the Bank/FIIs Investors and the Offshore Security Agent.
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	71,806	-	-	The countrywise security details are as follows: (i) Pledge of office building and fixed assets - Chad (ii) Fixed charge on business assets and 75% of the issued shares - Ghana (iii) Business Assets and Shares - Mallavi (iv) Pledge of equipments - Niger (v) All company security, rights, title and deeds - Uganda (vi) Lien on all the assets - Zambia (vii) Security trust deed - Nigeria (viii) Core network equipment - Sierra Leone (ix) Pledge of shares and assets - Congo B

Details of debt covenant for BAABV (erstwhile ZAIN) acquisition related borrowing:

Pursuant to a share sale agreement dated March 30, 2010, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company has acquired 100% equity stake in Bharti Airtel Africa B.V. (earlier known as Zain Africa B.V.) for a total consideration of USD 9 Bn. Accordingly, Bharti Airtel Africa B.V. has become a wholly owned subsidiary of the Company with effect from June 8, 2010. The above acquisition is financed through loans taken from various banks. The loan agreement contains a negative pledge covenant that prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any Security Interest on any of its assets without prior written consent of the Majority Lenders except in certain agreed circumstances.

Details of debt covenant w.r.t. the Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exist any Security Interest on any of its assets without prior written consent of the Lenders except in certain agreed circumstances.

26.8 Borrowings

Total borrowings disclosed at note 26.1 and 26.2 above includes,

- unsecured borrowings represented by ₹ 5,468 as of March 31, 2011 (₹ 3,248 and ₹ 8,753 as of March 31, 2010 and March 31, 2009, respectively) and secured borrowings represented by ₹ 36,816 as of March 31, 2011 (₹ 34,541 and ₹ 7,770 as of March 31, 2010 and March 31, 2009, respectively) pertaining to joint ventures; and

- unsecured borrowings represented by ₹ 497,080 as of March 31, 2011 (₹ 49,406 and ₹ 110,009 as of March 31, 2010 and March 31, 2009, respectively) and secured borrowings represented by ₹ 77,344 as of March 31, 2011 (₹ 14,703 and ₹ 6,489 as of March 31, 2010 and March 31, 2009, respectively) pertaining to Group excluding joint ventures.

26.9 Unused lines of credit

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Secured	10,189	100	100
Unsecured	8,815	5,358	6,517
Total Unused lines of credit	**19,004**	**5,458**	**6,617**

27. Provisions

	Employee benefits	Asset retirement obligation*	Total
As of March 2009	**1,920**	**3,755**	**5,675**
Of which: current	305	-	305
Provision during the year	1,773	458	2,231
Payment during the year	(1,093)	-	(1,093)
Adjustment during the year	-	(2,380)	(2,380)
Interest charge	-	220	220
As of March 2010	**2,600**	**2,053**	**4,653**
Of which: current	874	-	874
Provision during the year	1,196	341	1,537
Payment during the year	(1,356)	-	(1,356)
Acquisition through Business Combinations	-	2,501	2,501
Adjustment during the year	-	(246)	(246)
Interest charge	-	176	176
As of March 2011	**2,440**	**4,825**	**7,265**
Of which: current	1,180	-	1,180

* Refer Note 3.23, summary of significant accounting policies – Provisions (Asset Retirement Obligation).

During the year ended March 31, 2010, the Group has revised its estimates of provision for Asset Retirement Obligation (ARO) and consequently reversed provisions amounting to ₹ 2,380 with corresponding reduction in gross block of assets. The change in estimates resulted in lower depreciation by ₹ 288 and lower interest by ₹ 84 for the year ended March 31, 2010.

Further during the year ended March 31, 2011, the Joint Venture has revised its estimate for ARO and consequently reversed provisions amounting to ₹ 246 with corresponding reduction in gross block of assets. The impact of such change in estimates is not material with respect to the results for the year ended March 31, 2011.

The impact of the above change in the future periods is not calculated as the same is impracticable having regard to the voluminous data and complexities involved in the computation of expected future liability and the related unwinding of interest cost in future periods.

"Provision during the year" for asset retirement obligation is after considering the impact of change in discounting rate.

28. Other financial liabilities, non-current

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Security deposits	6,792	5,381	4,277
Others	7,064	5,479	2,934
	13,856	**10,860**	**7,211**

"Others" include rent equalisation reserve of ₹ 6,125, ₹ 4,539 and ₹ 1,995 as of March 31, 2011, March 31, 2010 and March 31, 2009, respectively.

29. Other non-financial liabilities

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Non-current			
Fair valuation adjustment - financial liabilities *	2,562	2,422	972
Others	2,809	1,490	1,490
	5,371	3,912	2,462
Current			
Other taxes payable	10,053	5,399	5,672
	10,053	5,399	5,672
Total	**15,424**	**9,311**	**8,134**

* represents unamortised portion of the difference between the fair value of the financial liability (security deposit) on initial recognition and the amount received.

30. Employee Benefits

The following table sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the consolidated statement of financial position as of March 31, 2011, March 31, 2010 and March 31, 2009, being the respective measurement dates:

Movement in Projected Benefit Obligation

	Gratuity	Compensated absence
Projected benefit obligation - April 1, 2009	780	618
Current service cost	231	206
Interest cost	58	46
Benefits paid	(260)	(327)
Acquisition adjustment	63	23
Actuarial loss	125	146
Projected benefit obligation - March 31, 2010	**997**	**712**
Projected benefit obligation - April 1, 2010	997	712
Current service cost	255	215
Interest cost	75	53
Benefits paid	(159)	(271)
Actuarial loss	168	163
Projected benefit obligation - March 31, 2011	**1,336**	**872**

Movement in Plan Assets - Gratuity

	As of March 31, 2011	As of March 31, 2010
Fair value of plan assets at beginning of year	81	81
Expected return on plan assets	6	6
Actuarial gain/(loss)	(6)	(6)
Employer contribution	-	-
Fair value of plan assets at end of year	**₹ 81**	**₹ 81**
Net funded status of plan	**(1,255)**	**(916)**
Actual return on plan assets	**-**	**-**

The components of the gratuity and compensated absence cost were as follows:

(Recognised in employee costs)

	Gratuity	Compensated absence
Current service cost	255	215
Interest cost	75	53
Expected return on plan assets	(6)	-
Recognised actuarial (gain)/loss	174	163
March 31, 2011	**498**	**431**
Current service cost	231	206
Interest cost	58	46
Expected return on plan assets	(6)	-
Recognised actuarial (gain)/loss	131	146
March 31, 2010	**414**	**398**

The principal actuarial assumptions used for estimating the Group's and its joint ventures' benefit obligations are set out below:

Weighted average actuarial assumptions	**As of March 31, 2011**	**As of March 31, 2010**	**As of April 1, 2009**
Discount Rate	7.50%	7.50%	7.50%
Expected Rate of increase in Compensation levels			
'Ist Three Years	9.00%	8.00%	15.00%
'Thereafter	9.00%	8.00%	7.00%
Expected Rate of Return on Plan Assets	7.50%	7.50%	7.50%
Expected Average remaining working lives of employees (years)	26.15 years	26.80 years	27.74 years

The expected rate of return on the plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years. This is based on the historical returns suitably adjusted for the movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.

Actuarial gains and losses are recognized in profit or loss as and when incurred. The annuity plan is self funded.

History of experience adjustments is as follows:

	Gratuity	Compensated absence
March 31, 2011		
Plan Liabilities - (loss)/gain	(149)	(69)
Plan Assets - (loss)/gain	(6)	-
March 31, 2010		
Plan Liabilities - (loss)/gain	(136)	(144)
Plan Assets - (loss)/gain	(6)	-

Actuarial valuation of other long-term employee benefits:

Deferred incentive plan

	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening Balance	807	579
Addition	228	934
Utilization	(873)	(706)
Closing Balance	**162**	**807**

Long term service award

	March 31, 2011	March 31, 2010	April 1, 2009
Estimated liability	145	156	144

Statement of Employee benefit provision

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Gratuity	1,255	916	699
Leave encashment	872	712	618
Other employee benefits	313	972	603
Total	**2,440**	**2,600**	**1,920**

31. Equity

(i) Authorised Shares

	As of March 31, 2011 ('000s)	As of March 31, 2010 ('000s)	As of April 1, 2009 ('000s)
Ordinary shares of ₹ 5 each	5,000,000	5,000,000	5,000,000

(ii) Other components of equity

a) Stock-based payment transactions

The stock-based payment transactions reserve comprise the value of equity-settled stock-based payment transactions provided to employees, including key management personnel, as part of their remuneration. The carrying value of the reserve as on March 31, 2011, March 31, 2010 and March 31, 2009 is ₹ 4,776, ₹ 3,504 and ₹ 2,013, respectively. Refer to Note 7.2 for further details of these plans.

b) Revaluation reserve

The increase in fair valuation of property, plant and equipment is recorded under revaluation reserve and the same is utilised towards diminution in value of those assets which were previously revalued. The carrying value of the reserve as on March 31, 2011, March 31, 2010 and March 31, 2009 is ₹ 21, ₹ 21 and ₹ 21, respectively.

c) Debenture redemption reserve

As required under the corporate laws of the jurisdiction under which the parent company is registered, the Company appropriated as debenture redemption reserve an amount equal to 25% of the total debentures and bonds outstanding at each date of statement of financial position. The carrying value of the reserve as on March 31, 2011, March 31, 2010 and March 31, 2009 is ₹ 32, ₹ 97 and ₹ 135, respectively.

d) Reserves arising on transactions with equity owners of the Group or Reserve arising on dilution.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. Gains or losses on transaction with holders of non-controlling interests which does not result in the change of control are recorded in equity. The carrying value of the reserve as on March 31, 2011, March 31, 2010 and March 31, 2009 is ₹ 36,156, ₹ 40,746 and ₹ 15,162, respectively.

(iii) Dividends paid and proposed

	Year ended March 31, 2011	Year ended March 31, 2010
Declared and paid during the year:		
Final dividend for 2009-10: ₹ 1 per share of ₹ 5 each (2008-09: ₹ 1 per share)	4,428	4,442
Proposed for approval at the annual general meeting (not recognised as a liability):		
Final dividend for 2010-11: ₹ 1 per share of ₹ 5 each (2009-10: ₹ 1 per share)	4,414	4,428

32. Trade and other payables

	March 31, 2011	March 31, 2010	April 1, 2009
Trade creditors	55,919	21,123	11,498
Equipment supply payables	65,277	42,802	67,710
Dues to employees	3,109	2,670	2,246
Accrued expenses	74,843	34,054	32,394
Interest accrued but not due	1,271	134	803
Due to related parties	837	53	242
Others	38,428	1,467	2,396
	239,684	**102,303**	**117,289**

"Others" include non-interest bearing security deposits received from customers and dealers to be refunded on the termination of the respective service or sales agreement.

"Others" also include ₹ 35,763 (USD 801 mn) as on March 31, 2011 towards the amount payable to Zain International B.V. for acquisition of 100% interest in Bharti Airtel Africa B.V. (erstwhile Zain Africa B.V.).

33. Fair Values of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's and its joint ventures' financial instruments that are carried in the financial statements.

	Carrying Amount			Fair Value		
	March 31, 2011	March 31, 2010	April 1, 2009	March 31, 2011	March 31, 2010	April 1, 2009
Finacial Assets						
Assets carried at fair value through profit or loss						
Currency swaps and forward contracts	3,979	2,407	6,684	3,979	2,407	6,684
Interest rate swaps	-	3	6	-	3	6
Embedded derivatives	701	1,071	4,444	701	1,071	4,444
Held for trading securities - quoted						
- mutual funds	6,125	47,511	22,023	6,125	47,511	22,023
- certificate of deposits	-	4,642	1,490	-	4,642	1,490
Assets carried at amortised cost						
Fixed deposits with banks	835	15,292	23,988	835	15,292	23,988
Cash and bank balances	8,839	10,142	3,569	8,839	10,142	3,569
Trade and other receivables	54,929	35,711	41,320	54,929	35,711	41,320
Other financial assets	8,674	7,466	4,758	8,402	7,160	4,539
	84,082	124,245	108,282	83,810	123,939	108,063
Financial Liabilities						
Liabilities carried at fair value through profit or loss						
Currency swaps and forward contracts	308	511	164	308	511	164
Interest rate swaps	103	184	227	103	184	227
Embedded derivatives	57	9	-	57	9	-
Liabilities carried at amortised cost						
Borrowing- Floating rate	601,494	97,910	85,554	601,494	97,910	85,554
Borrowing- Fixed rate	15,214	3,988	47,467	15,172	3,995	47,468
Trade & other payables	239,684	102,303	117,289	239,684	102,303	117,289
Other financial liabilities	13,856	10,860	7,211	13,681	10,753	7,182
	870,716	215,765	257,912	870,499	215,665	257,884

Fair Values

The Group and its joint ventures maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group and its joint ventures internally reviews valuation, including independent price validation for certain instruments. Further, in other instances, the Group retains independent pricing vendors to assist in corroborate the valuation of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii. Long-term fixed-rate and variable-rate receivables/ borrowings are evaluated by the Group and its joint ventures based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As of March 31, 2011, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

iii. Fair value of quoted mutual funds and certificate of deposits is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives, including the period to maturity, and market-based parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted markets.

Market practice in pricing derivatives initially assumes all counterparties have the same credit quality. Credit valuation adjustments are necessary when the market parameter (for example, a benchmark curve) used to value derivatives is not indicative of the credit quality of the Group or its counterparties. The Group manages derivative counterparty credit risk by considering the current exposure, which is the replacement cost of contracts on the measurement date, as well as estimating the maximum potential value of the contracts over their remaining lives, considering such factors as maturity date and the volatility of the underlying or reference index. The Group mitigates derivative credit risk by transacting with highly rated counterparties. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair value hierarchy

The Group and its joint ventures uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Derivative assets and liabilities included in Level 2 primarily represent interest rate swaps, cross-currency swaps, foreign currency forward and option contracts.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 as described below:

	Level 1	Level 2	Level 3
March 31, 2011			
Financial assets			
Derivative financial asset	-	4,680	-
Held for trading securities - quoted	6,125	-	-
Financial liabilities			
Derivative financial Liability	-	468	-
March 31, 2010			
Financial assets			
Derivative financial asset	-	3,481	-
Held for trading securities - quoted	47,511	-	-
Certificate of deposits-held for trading	4,642	-	-
Financial liabilities			
Derivative financial Liability	-	704	-
April 1, 2009			
Financial assets			
Derivative financial asset	-	11,134	-
Held for trading securities - quoted	22,023	-	-
Certificate of deposits - held for trading	1,490	-	-
Financial liabilities			
Derivative financial Liability	-	391	-

During the year ended March 31, 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

34. Related party transactions

Related party transactions represent transactions entered into by the Group with entities having significant influence over the Group, associates, joint ventures and other related parties. The transactions and balances with the following related parties for years ended March 31, 2011 and March 31, 2010, respectively are described below:

	Year ended March 31, 2011		
Relationship	**Significant influence entities**	**Associates**	**Other related parties**
Purchase of Assets	-	(3,577)	(1,508)
Sale of Assets	-	6	-
Sale of Investment	-	-	224
Sale of Services	1,096	39	162
Purchase of Services	(719)	(1,875)	(1,280)
Loans to Related Party	-	200	-
Expenses (Other than Employees related) incurred by the group on behalf of Related Party	-	34	19
Expenses (Other than Employees related) incurred by Related Party for the Group	-	-	(704)
Employee Related Expenses incurred by the group on behalf of Related Party	-	12	-

Relationship	Year ended March 31, 2011 Significant influence entities	Associates	Other related parties
Employee related transaction incurred on behalf of the Group	-	-	(32)
Security deposit/Advances paid	-	-	522
Security deposit/Advances received	-	-	(352)
Rent Expenses to Related Party	-	-	(984)
Interest Income on Loan from Related Party	-	22	-
Dividend Paid	(2,317)	-	(259)
Closing Balances	**413**	**(511)**	**1,199**
Due from related parties	**413**	**210**	**1,315**
Due to related parties	**-**	**(721)**	**(116)**

Relationship	Year ended March 31, 2010 Significant influence entities	Associates	Other related parties
Purchase of Assets	(171)	(280)	(680)
Sale of Assets	-	156	-
Purchase of Investments	-	-	(264)
Sales of Investments	-	-	264
Sale of Services	1,354	-	399
Purchase of Services	(856)	(480)	(1,858)
Expenses (Other than Employees related) incurred by the group on behalf of Related Party	-	-	65
Expenses (Other than Employees related) incurred by Related Party for the Group	(9)	-	(682)
Employee related transaction incurred on behalf of related party	-	-	2
Employee related transaction incurred on behalf of the Group	-	-	(10)
Security deposit/Advances paid	-	-	55
Loan to Related Party	-	100	-
Interest Income on Loan to Related Party	-	3	-
Dividend paid	(2,311)	-	-
Closing balance	**443**	**404**	**789**
Due from related parties	**443**	**404**	**842**
Due to related parties	**-**	**-**	**(53)**

Summary of transactions with Joint Ventures (JVs) *:

	Year ended March 31, 2011	March 31, 2010
Purchase of fixed Assets	-	(325)
Sale of Assets	244	336
Sale of Services	5,354	5,377
Purchase of services	(24,332)	(20,447)
Reimbursement of energy expenses	(11,625)	(10,948)
Expenses incurred on behalf of JVs	3,379	3,293
Expenses incurred on behalf of the Group	(1,006)	(943)
Security deposit/Advances paid	29	5,268
Security deposit/Advances received	(2,360)	-
Loans given	4,822	4,822
Interest income	-	1,433
Closing balance	**6,240**	**(4,761)**
Due from JV	16,951	5,870
Due to JV	(10,711)	(10,631)

**Transactions above have not been proportionate based on the equity holding in the respective JVs. Amount due from and due to JVs are included in the respective line items in the financial statements.*

(1) Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is taken each year through examining the financial position of the related party and the market in which the related party operates.

(2) The above information does not include ₹ 107 and ₹ 105 on account of donation given to Bharti Foundation during the years ended March 31, 2011 and March 31, 2010, respectively.

Purchase of assets – included primarily purchase of bandwidth, computer software, telephone instruments and network equipments.

Expenses incurred by the Group – included primarily general and administrative expenses.

Expenses incurred for the Group – included expenses in general and administrative nature.

Sale of services – represents billing for broadband, international long distance services, mobile, access and roaming services.

Purchase of services – included primarily billing for broadband, international long distance services, management service charges, billing for passive infrastructure services and maintenance charges towards network equipments.

Payments made to key management personnel/non-executive directors were as follows:

	Year ended	
	March 31, 2011	March 31, 2010
Short-Term Employee benefits	356	303
Post-Employment benefits	16	11
Other Long-Term Employee benefits*	-	-
Share-based payment**	221	34
	593	348

*As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to directors are not included above.

**It represents fair value of options granted during the year which has been considered for amortisation over the vesting periods.

35. Operating Segment

The Group, over the last year has expanded its foot print through acquisition of Warid Telecom and Zain Africa BV, wireless telecommunication service provider having operations spread over Bangladesh and Africa continent.

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman and Managing Director of the Group (Chief operating decision maker).

Mobile Services: These services cover voice and data telecom services provided through GSM technology in the geographies of India & South Asia (SA) and Africa. This also includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Telemedia Services: These services provided under the segment include voice and data communications based on fixed network and broadband technology. This also includes the sale of terminal equipment and the hardware. The services are offered to retail and small business customers.

Enterprise Services: These services cover domestic and international long distance services and internet and broadband services. Long distance services are intermediary services provided to the non-group international/domestic telecom service providers. Internet and broadband services are used to provide bandwidth and other network solutions to corporate customers.

Passive Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers, providing network development services and to engage in video, voice, data and internet transmission business in and out of India.

Others: These comprise corporate headquarters' expenses in India which are not charged to individual business and geographical segments. Further, these costs also include corporate headquarter costs of the Company's Africa operations. Others also include revenue, profits/losses, assets and liabilities of Direct to Home Services in India.

The measurement principles for segment reporting are based on IFRSs adopted in the consolidated financial statements. Segment's performance is evaluated based on operating revenue and profit or loss from operations (EBIT).

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the operating earnings of each respective segment. Segment result is computed as operating income (including "other income") less non-operating expenses. Re-branding expenditure pertaining to the acquired businesses are included under the related business segment and other re-branding expenditure are included under the 'Others' segment. Finance income earned, finance expense incurred and income tax expenses are not allocated to individual segment and the same has been reflected at the Group level for segment reporting.

Inter segment revenue are accounted for on terms established by the management on arm's length basis. Inter segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation.

The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances. Corporate held assets managed at the corporate level not allocated to the segments include deferred tax asset and derivative financial instruments.

Segment liabilities comprise operating liabilities and exclude borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments.

Segment capital expenditures comprise additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

Summary of the segmental information as of and for the year ended March 31, 2011, is as follows:

Description	Mobile Services		Telemedia Services	Enterprise Services	Passive Infra Services	Others	Eliminations	Consolidated
	India & SA	Africa						
Revenue from external customers	347,778	130,721	33,563	30,202	44,686	7,722	-	594,672
Inter segment revenue	14,911	113	2,761	11,090	40,868	2,596	(72,339)	-
Total revenues	**362,689**	**130,834**	**36,324**	**41,292**	**85,554**	**10,318**	**(72,339)**	**594,672**
Segment result	85,551	5,173	8,334	5,546	11,688	(17,640)	-	98,652
Share of profits/(loss) in associates								(57)
Interest income (net)								3,536
Interest expense (net)								(25,349)
Earnings before taxation								**76,782**
Segment assets	760,142	583,774	107,002	82,733	203,105	198,781	(525,545)	1,409,992
Unallocated segment assets								55,072
Consolidated total assets								**1,465,064**
Segment liabilities	321,116	224,843	79,443	28,304	40,733	145,685	(524,593)	315,531
Unallocated segment liabilities								633,302
Consolidated total liabilities								**948,833**
Other segment items								
Period capital expenditure	(187,857)	(35,236)	(45,216)	(11,426)	(23,622)	(13,333)	9,742	(306,948)
Investment in associates	-	-	-	-	-	-	-	-
Depreciation and amortisation	(41,346)	(26,128)	(8,155)	(4,577)	(20,058)	(4,649)	2,847	(102,066)
Deferred tax (expense)/benefit								6,171

Unallocated liabilities includes amount borrowed for the acquisition of 3G & BWA Licenses ₹ 63,765 and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 460,966 (USD 10.32 bn)

Summary of the segmental information as of and for the year ended March 31, 2010, is as follows:

Description	Mobile Services		Telemedia Services	Enterprise Services	Passive Infra Services	Others	Eliminations	Consolidated
	India & SA	Africa						
Revenue from external customers	317,819	-	32,162	29,832	35,819	2,840	-	418,472
Inter segment revenue	13,456	-	1,992	14,966	35,033	2,985	(68,432)	-
Total revenues	**331,275**	-	**34,154**	**44,798**	**70,852**	**5,825**	**(68,432)**	**418,472**
Segment result	94,403	0	7,589	9,336	7,362	(13,193)	(180)	105,317
Share of profits/(loss) in associates								(48)
Interest income (net)								17,381
Interest expense (net)								(17,559)
Earnings before taxation								**105,091**
Segment assets	601,721	-	65,579	82,566	210,913	90,420	(359,106)	692,093
Unallocated segment assets								18,847
Consolidated total assets								**710,940**
Segment liabilities	241,978	-	46,411	48,515	50,694	127,149	(358,147)	156,600
Unallocated segment liabilities								107,115
Consolidated total liabilities								**263,715**
Other segment items								
Period capital expenditure	(56,460)	0	(12,317)	(15,527)	(28,630)	(10,103)	14,703	(108,334)
Investment in associates	-	-	45	-	-	12	-	57
Depreciation and amortisation	(34,348)	0	(7,151)	(3,411)	(17,168)	(2,773)	2,019	(62,832)
Deferred tax (expense)/benefit								8,866

Entity-wide disclosures:

Information concerning principal geographic areas is as follows:

Net sales to external customers by geographic area by location of the entity recognizing the revenue is given as below:

	Year ended	
	March 31, 2011	March 31, 2010
India	451,701	413,042
Africa	130,721	-
Rest of the World	12,250	5,430
Total	**594,672**	**418,472**

Non-current assets (Property, plant and equipment and Intangible assets) by geographic area:

	As of March 31, 2011	As of March 31, 2010
India	707,754	519,374
Africa	552,765	-
Rest of the World	28,224	23,145
Total	**1,288,743**	**542,519**

36. Lease disclosure

Operating Lease

The Group's and its joint ventures' obligations arising from non-cancellable lease are mainly related to rental or lease agreements for network infrastructure, passive infrastructure and real estate. These leases include extension options and provide for stepped rents. As per the agreements maximum obligation on long-term non-cancellable operating leases are as follows:

The future minimum lease payments obligations, **as lessee** are as follows:-

Particulars	As of March 31, 2011	As of March 31, 2010
Obligations on non-cancellable leases:		
Not later than one year	28,936	23,585
Later than one year but not later than five years	64,258	49,694
Later than five years	92,308	77,297
Total	**185,502**	**150,576**
Lease Rentals (Excluding Lease Equalisation Adjustment of ₹ 1,627 and ₹ 1,378 for the year ended March 31, 2011 and March 31, 2010)	29,160	24,615

The escalation clause includes escalation ranging from 0 to 50%, includes option of renewal from 1 to 99 years and there are no restrictions imposed on lease arrangements.

The future minimum lease payments receivable, **as lessor** are as follows:

Particulars	As of March 31, 2011	As of March 31, 2010
Receivables on non-cancellable leases:		
Not later than one year	16,836	20,057
Later than one year but not later than five years	54,912	47,404
Later than five years	50,833	37,854
Total	**122,581**	**105,315**

Finance Lease – As a Lessee

(i) Finance lease obligation of the Group as at March 31, 2011 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	130	68	62
Later than one year but not later than five years	444	228	216
Later than five years	979	209	770
Total	**1,553**	**505**	**1,048**

(ii) Finance lease obligation of the Group as at 31 March, 2010 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	49	13	36
Later than one year but not later than five years	73	10	63
Later than five years	-	-	-
Total	**122**	**23**	**99**

37. Commitments and contingencies

(i) Commitments

a) Capital commitments

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

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

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

b) Guarantees

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

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

(ii) **Contingencies**

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

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

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

a) **Sales and Service Tax**

The claims for sales tax as of March 31, 2011 comprised of cases relating to the appropriateness of declarations made by the company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the company has deposited amounts with statutory authorities for certain cases.

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

b) **Income Tax demand under Appeal**

Income Tax demands comprise of the appeals filed by the Group and its joint ventures before the various appellate authorities in respective jurisdictions against the disallowance of certain expenses being claimed under tax by Income Tax Authorities and non deduction of tax at source with respect to dealer's/distributor's payments .

The total amount consists of ₹ 2,156 as of March 31, 2011 on account of liabilities of Bharti Airtel Africa B.V.

c) **Access charges (Interconnect Usage Charges)/Port charges**

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the guidelines issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the guidelines would need to be paid by the Company.

The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable. Accordingly, no amounts have been accrued although some have been paid under protest.

The Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish CDRs to TRAI. The CDRs have been furnished to TRAI. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

In 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed it's judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

d) **Customs Duty**

The custom authorities, in some states, demanded ₹ 2,642 as of March 31, 2011 (₹ 2,400 and ₹ 2,289 as of March 31, 2010 and March 31, 2009) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any customs duty as it would be operating software exempt from any customs duty. The management is of the view that the probability of the claims being successful is remote.

e) **Entry Tax**

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the company in the respective states, on the grounds that the specific entry tax is ultra vires the constitution.

Classification issues have been raised whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category. The amount under dispute as of March 31, 2011 was ₹ 3,872 (₹ 3,032 and ₹ 1,556 as of March 31, 2010 and March 31, 2009 respectively).

f) **Airtel Networks Limited - Ownership**

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

Under the transaction to acquire a 65.7% controlling stake in Airtel Networks Limited in 2006, its shareholders were obliged under the pre-emption right provision contained in the shareholders agreement to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders agreement and the shares were acquired by Zain Africa, which was subsequently acquired by an international subsidiary of the company. EWL has filed a number of suits before courts in Nigeria and commenced arbitral proceedings in Nigeria contesting the acquisition. The company's indirect subsidiary that is the current owner of 65.7% of the equity in Airtel Networks Limited has been defending these cases vigorously and Management believes that it has meritorious defenses.

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

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

38. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(Shares in millions)

	Year ended March 31, 2011	Year ended March 31, 2010
Weighted average shares outstanding- Basic	3,795	3,793
Effect of dilutive securities on account of convertible bonds and ESOP	0	1
Weighted average shares outstanding-diluted	3,795	3,794

Income available to common stockholders of the Group used in the basic and diluted earnings per share were determined as follows:

	Year ended March 31, 2011	Year ended March 31, 2010
Income available to common stockholders of the Group	60,467	89,768
Effect on account of convertible bonds and ESOP on earnings for the year	-	(1)
Net income available for computing diluted earnings per share	60,467	89,767
Basic Earnings per Share	15.93	23.67
Diluted Earnings per Share	15.93	23.66

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of share splits for all the periods presented. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

39. Financial risk management objectives and policies

The Group's and its joint ventures' principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to raise finances for the Group's and its joint ventures' operations. The Group and its joint venture have loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also enters into derivative transactions.

The Group and its joint ventures are exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:-

- **Market risk**

  Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

  The sensitivity analysis in the following sections relate to the position as of March 31, 2011 and March 31, 2010.

  The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

  The analysis exclude the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities.

  The sensitivity of the relevant statement of comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2011 and March 31, 2010.

  The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and interest rate.

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group primarily transacts business in U.S. dollars with parties of other countries. The Group has obtained foreign currency loans and has imported equipment and is therefore, exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States dollar and Japanese yen. The Group may use foreign exchange option contracts, swap contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement.

  The Group manages its foreign currency risk by hedging foreign currency transactions on a 12 months rolling forecast.

  Foreign currency sensitivity

  The following table demonstrates the sensitivity to a reasonably possible change in the USD and Japanese Yen exchange rate, with all other variables held constant, on the Group's and its joint ventures' profit before tax (due to changes in the fair value of monetary assets and liabilities including non designated foreign currency derivatives). The Group's and its joint ventures' exposure to foreign currency changes for all other currencies is not material.

	Change in currency exchange rate	Effect on profit before tax
March 2011		
US Dollars	+5%	(5,230)
	-5%	5,230
Japanese Yen	+5%	(1,027)
	-5%	1,027
March 2010		
US Dollars	+5%	(3,099)
	-5%	3,099
Japanese Yen	+5%	(995)
	-5%	995

- **Interest rate risk**

  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and its joint ventures' exposure to the risk of changes in market interest rates relates primarily to the Group's and its joint ventures' long-term debt obligations with floating interest rates. To manage this, the Group and its joint venture enters into interest rate swaps, whereby agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between the fixed contract rate interest amounts and the floating rate interest amounts calculated by reference to the agreed notional principal amounts. These swaps are undertaken to hedge underlying debt obligations. At March 31, 2011, after taking into account the effect of interest rate swaps, approximately 3.78% of the Group's and its joint ventures' borrowings are at a fixed rate of interest (March 2010: 12.68%).

  Interest rate sensitivity

  The following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings, after the impact of interest rate swaps, with all other variables held constant, the Group's and its joint ventures' profit before tax is affected through the impact of floating rate borrowings as follows.

Interest rate sensitivity	Increase/decrease in basis points	Effect on profit before tax
March 31, 2011		**For the year ended**
INR - borrowings	+100	(910)
	-100	910
Japanese Yen - borrowings	+100	(94)
	-100	94
US Dollar - borrowings	+100	(3,765)
	-100	3,765
Other Currency - borrowings	+100	(356)
	-100	356
March 31, 2010		**For the year ended**
INR - borrowings	+100	(413)
	-100	413
Japanese Yen - borrowings	+100	(93)
	-100	93
US Dollar - borrowings	+100	(391)
	-100	391

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

- **Price risk**

  The Group's and its joint ventures' investments, mainly, in mutual funds and bonds are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group and its joint venture is not exposed to any significant price risk.

- **Credit risk**

  Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and its joint venture is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

1. **Trade receivables**

   Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms except in case of balances due from trade receivables in Enterprise Services Segment which are generally on credit terms upto 60 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Group and its joint venture has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The exposure to credit risk from the date of invoice as at the reporting date is follows:

	Within due date and unbilled	Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
Trade Receivables March 31, 2011	16,793	12,520	7,150	3,359	6,796	46,618
Trade Receivables March 31, 2010	10,951	8,489	6,500	1,571	2,929	30,440

The requirement for impairment is analyzed at each reporting date. Additionally, a large number of minor receivables is grouped into homogenous groups and assessed for impairment collectively. Refer Note 21 for details on the impairment of trade receivables.

2. **Financial instruments and cash deposits**

   Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Group monitors ratings, credit spreads and financial strength on at least a quarterly basis. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's and its joint ventures' maximum exposure to credit risk for the components of the statement of financial position as of March 31, 2011 and March 31, 2010 is the carrying amounts as illustrated in Note 33 except for financial guarantees. The Group's and its joint ventures' maximum exposure for financial guarantees is given in Note 37.

- **Liquidity risk**

  The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool.

  The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and debentures.

  The table below summarizes the maturity profile of the Group's and its joint ventures'financial liabilities based on contractual undiscounted payments:-

	As at March 31, 2011						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*	616,708	-	80,891	25,045	131,504	461,971	**699,411**
Financial derivatives	468	-	260	57	104	47	**468**
Other liabilities	13,856	3,294	-	-	-	10,562	**13,856**
Trade and other payables	239,684	-	239,684	-	-	-	**239,684**
	870,716	**3,294**	**320,835**	**25,102**	**131,608**	**472,580**	**953,419**

	As at March 31, 2010						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*	101,898	-	16,069	8,827	22,495	75,132	**122,523**
Financial derivatives	704	-	388	27	126	163	**704**
Other liabilities	10,860	3,239	0	-	-	7,621	**10,860**
Trade and other payables	102,303	-	102,303	-	-	-	**102,303**
	215,765	**3,239**	**118,760**	**8,854**	**22,621**	**82,916**	**236,390**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period, over the tenure of the borrowings.

The disclosed derivative financial instruments in the above table represent fair values of the instrument. However, those amounts may be settled gross or net.

- **Capital management**

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended March 31, 2011 and March 31, 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, loan from venture partner, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	As of March 31, 2011	As of March 31, 2010	As of April 1, 2009
Interest Bearing Loans & Borrowings	616,708	101,898	133,021
Trade and Other payables	239,684	102,303	117,289
Other Financial Liabilities	13,856	10,860	7,211
Less: Cash and Cash Equivalents	9,575	25,323	14,432
Net Debt	**860,673**	**189,738**	**243,089**
Equity	487,668	421,940	310,299
Total Capital	**487,668**	**421,940**	**310,299**
Capital and Net Debt	**1,348,341**	**611,678**	**553,388**
Gearing Ratio	**63.8%**	**31.0%**	**43.9%**

40. **New Companies**

a) On April 1 2010, Airtel M Commerce Services Limited (AMSL) has been incorporated as a wholly owned subsidiary of Bharti Airtel Limited with an investment of ₹ 20 Mn. During current year, Bharti Airtel Services Limited, the wholly owned subsidiary of Bharti Airtel Limited has invested ₹ 20 Mn for 50% investment in AMSL.

b) On April 5, 2010, Bharti Airtel (Japan) Kabushiki Kaisha, Japan has been incorporated as a step down subsidiary of Bharti Airtel Limited (through Bharti Airtel Holdings (Singapore) Pte. Ltd., Singapore, a wholly owned subsidiary of the Company). Bharti Airtel Holdings (Singapore) Pte. Ltd. has invested Yen 50,000 towards subscription of 1 share of Yen 50,000 in Bharti Airtel (Japan) Kabushiki Kaisha.

c) On April 6, 2010, Bharti Airtel International (Mauritius) Limited has been incorporated as a wholly owned subsidiary of Bharti Airtel Limited. The Company has invested ₹ 1,646 in the share capital of Bharti Airtel International (Mauritius) Limited on its incorporation. The Company has further invested ₹ 2,990 during the year ended March 31, 2011 for additional equity shares.

d) On May 17, 2010, the Company acquired additional 49.62% equity stake in its subsidiary, Bharti International (Singapore) Pte Ltd for a consideration of USD 206,000. The Company has further invested ₹ 621 during the year ended March 31, 2011 for additional equity shares. The shareholding of the Company in Bharti International (Singapore) Pte Ltd as of March 31, 2011 is 50.85%.

e) On May 18, 2010, the Company acquired additional 49.90% equity stake in its subsidiary, Bharti Airtel International (Netherlands) B.V for a consideration of Euro 18,535. Consequently the total equity interest of the Company in Bharti Airtel International (Netherlands) B.V. has increased to 51.00%.

f) Pursuant to definitive agreement dated March 30, 2010, Bharti Airtel International (Netherlands) B.V., a wholly owned subsidiary of the Company has acquired 100% equity stake in Zain Africa B.V. (name changed to Bharti Airtel Africa B.V.) for a total consideration of USD 9 Bn. Accordingly, Bharti Airtel Africa B.V. has become a subsidiary of the Company with effect from June 8, 2010.

g) On June 9, 2010, Bharti Airtel (France) SAS, France has been incorporated as a step down subsidiary of Bharti Airtel Limited (through Bharti Airtel Holdings (Singapore) Pte. Ltd., Singapore, a wholly owned subsidiary of the Company). Bharti Airtel Holdings (Singapore) Pte. Ltd. has invested Euro 10,000 towards subscription of 10,000 share of Euro 1 each of Bharti Airtel (France) SAS.

h) Effective July 6, 2010, Bharti Airtel (Singapore) Private Ltd. (transferor company) has amalgamated with Bharti International (Singapore) Pte. Ltd. (transferee company) under the Short Form Amalgamation provisions of Singapore Companies Act. Upon amalgamation, the entire share capital of the amalgamating entity is deemed cancelled and all the assets and liabilities stand transferred to the amalgamated company as on the date of amalgamation.

i) On August 27, 2010, Bharti Airtel Africa B.V., Africa, a wholly owned subsidiary of Bharti Airtel Limited (through Bharti Airtel International (Netherlands) B.V.), has acquired 2,500,000 ordinary shares representing 100% equity stake of Indian Ocean Telecom Limited, Jersey that holds the entire share capital of Telecom Seychelles Limited, Seychelles for a total consideration of USD 62 Mn.

Consequent upon acquisition of shares, both Indian Ocean Telecom Limited, Jersey and Telecom Seychelles Limited, Seychelles have ultimately become step-down subsidiaries of Bharti Airtel Limited w.e.f. August 27, 2010.

j) On September 27, 2010, Zap Trust Burkina Faso S.A. has been incorporated as wholly owned subsidiary of Zap Mobile Commerce B.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.) with issued share capital of

CFA 10,000,000 divided into 1,000 shares of CFA 10,000 each fully paid.

k) On September 28, 2010, Bharti Airtel DTH Holdings B.V. has been incorporated as wholly owned subsidiary of Bharti Airtel Africa B.V. with issued share capital of EUR 18,000, divided into 18,000 shares of EUR 1, each fully paid.

l) On October 5, 2010, Africa Towers N.V. has been incorporated as wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V. with issued share capital of EUR 45,000, divided into 45,000 shares of EUR 1, each fully paid.

m) On October 7, 2010, Zap Trust Company Uganda Limited was incorporated jointly by Zap Mobile Commerce BV and Zap Holdings B.V., with an authorised capital of 2,000,000 Uganda Shillings divided into 2,000 Ordinary shares of each 1,000 Uganda Shillings. Upon incorporation, each incorporator subscribed for 1 share.

n) On October 26, 2010, Mobile Commerce Gabon S.A. has been incorporated as wholly owned subsidiary of Zap Mobile Commerce B.V. The Company has an authorised capital of 1,000 Ordinary shares of 10,000 CFA each.

o) On November 2, 2010, Airtel DTH Services Ghana Limited has been incorporated as wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. The newly incorporated company has an issued capital of GHc 80,000, divided into 10,000 shares, all fully paid up in cash.

p) On November 11, 2010, Zap Trust Company Tanzania Limited has been incorporated jointly by Zap Mobile Commerce BV and Zap Holdings BV. The newly incorporated Company is a private limited company in which, Zap Mobile Commerce B.V. currently holds 999 shares and Zap Holdings BV holds 1 share, each of 1000 Tanzania Shillings.

q) On November 26, 2010, Airtel DTH Services Malawi Limited has been incorporated as wholly owned subsidiary of Bharti Airtel DTH Holdings BV. The Airtel DTH Services Malawi Limited is a private limited company with 10,000,000 ordinary shares of one kwacha (K1) each.

r) On November 26, 2010, Airtel DTH Services Uganda Limited has been incorporated as wholly owned subsidiary of Bharti Airtel DTH Holdings BV. The Airtel DTH Services Uganda Limited is a private limited company and has an authorised capital of Uganda Shillings 2,000,000, divided into 2,000 ordinary shares of Uganda Shillings 1,000 each.

s) On November 26, 2010, Airtel DTH Services Congo S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested CFA 10,000,000 in newly incorporated company.

t) On November 29, 2010, Airtel DTH Services Niger S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested CFA 10,000,000 in newly incorporated company.

u) On December 2, 2010, Airtel Towers (Ghana) Limited has been incorporated as a wholly owned subsidiary of Africa Towers N.V. with an issued capital of GHc 80,000, divided into 10,000 shares, all fully paid up in cash.

v) On December 15, 2010, Malawi Towers Limited has been incorporated as a wholly owned subsidiary of Africa Towers NV. Malawi Towers Limited is a private limited company with 10,000,000 ordinary shares of 1 Kwacha (K1) each.

w) On December 30, 2010, Uganda Towers Limited has been incorporated by Africa Towers NV, a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV, with 2,000 ordinary shares of Uganda Shillings 1,000 each.

x) On January 18, 2011, Airtel DTH Service (K) Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested Kenyan Shillings 99,000 in newly incorporated company.

y) On January 19, 2011, Airtel DTH Services (SL) Limited had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested Le 10 million in newly incorporated company.

z) On January 27, 2011, Airtel DTH Services Tanzania Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested Tanzanian Shillings 999,000 in newly incorporated company.

aa) On January 27, 2011, Airtel DTH Services Nigeria Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested 9,999,999 Nigerian Naira in newly incorporat company.

ab) On January 31, 2011, Tchad Towers S.A. had been incorporated as a wholly subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested CFA 10 million in the newly incorporated company.

ac) On February 2, 2011, Airtel Towers (SL) Company Ltd. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested Sierra Leone Leones 10,000,000 in the newly incorporated company.

ad) On February 7, 2011, Zambia Towers Ltd. had been incorporated by Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested 4,999,999 Zambian Kwacha in the newly incorporated company.

ae) On March 7, 2011, Towers Support Nigeria Ltd. had been incorporated. The newly incorporated company is jointly controlled by Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV) and Bharti Airtel International (Netherlands) B.V. The Group had invested Nigerian Naira 10 million in the newly incorporated company.

af) On February 11, 2011, Airtel DTH Services Zambia Limited had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested 4,999,999 Zambian Kwacha in newly incorporated company.

ag) On February 18, 2011, Airtel DTH Services Tchad S.A. had been incorporated as a subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested CFA 10 million in newly incorporated company.

ah) On March 7, 2011, Congo Towers S.A. had been incorporated as a subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested CFA 10 million in the newly incorporated company.

ai) On March 15, 2011, Madagascar Towers S.A. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested Madagascar Ariary (MGA) 2 million in the newly incorporated company.

aj) On March 15, 2011, Tanzania Towers S.A. had been incorporated as a subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested Tanzania Shillings 999,000 in the newly incorporated company.

ak) On March 15, 2011, Airtel DTH Services Madagascar S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested Madagascar Ariary (MGA) 2 million in newly incorporated company.

al) On March 16, 2011, Kenya Towers S.A. had been incorporated by Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested Kenya Shillings 99,000 in the newly incorporated company.

am) On March 29, 2011, Niger Towers S.A. had been incorporated as a subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested CFA 10 million in the newly incorporated company.

an) On March 30, 2011, Burkina Faso Towers S.A. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) BV). The Africa Towers N.V. had invested CFA 10 million in the newly incorporated company.

ao) On March 30, 2011, Airtel DTH Service Burkina Faso S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings B.V. (a wholly owned subsidiary of Bharti Airtel Africa B.V). The Bharti Airtel DTH holdings B.V., had invested CFA 10 million in the newly incorporated company.

ap) On January 12, 2011, the Company entered into a Joint Venture (JV) agreement with the State Bank of India with equity participation of SBI and Bharti Airtel in the ratio of 51:49 to offer banking products and services.

aq) During the year, the Company has further invested ₹ 227 in its wholly owned subsidiary, Bharti Airtel Holdings (Singapore) Pte. Ltd. for additional equity shares.

41. Bharti Infratel Limited, in the Board Meeting held on January 20, 2009, approved a scheme of arrangement for the demerger of its undertaking comprising passive telecom infrastructure in 12 Circles and merger thereof with Bharti Infratel Ventures Limited (wholly owned subsidiary) through Scheme of Arrangement and has filled requisite scheme of arrangement with Hon'ble High Court of Delhi on July 7, 2009.

42. Companies in the Group, Joint Ventures and Associates

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

Sr. No.	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
1	Bharti Airtel Services Limited	India	Administrative support to Bharti Airtel and trading activities	100	100	100
2	Netwotk i2i Limited	Mauritius	Submarine Cable System	100	100	100
3	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100	100
4	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100	100
5	Bharti Airtel (Canada) Limited	Canada	Telecommunication services	100	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100	100
7	Bharti Airtel (Singapore) Pvt. Limited (BASPL)*	Singapore	Telecommunication services	NA*	100	100
8	Bharti Airtel Holdings (Singapore) Pte. Ltd.	Singapore	Investment Company	100	100	100
9	Bharti Airtel Lanka (Pvt.) Limited	Sri Lanka	Telecommunication services	100	100	100
10	Bharti Infratel Lanka (Pvt.) Limited	Sri Lanka	Passive infrastructure services	100	100	100
11	Bharti Hexacom Limited	India	Telecommunication services	70	70	70
12	Bharti Infratel Limited ("BIL")	India	Passive infrastructure services	86.09	86.09	92.51
13	Bharti Infratel Ventures Limited("BIVL")	India	Passive infrastructure services	86.09	86.09	92.51
14	Bharti Telemedia Limited	India	Direct To Home services	95	95	40
15	Airtel Bangladesh Limited (formerly Warid Telecom International Limited)	Bangladesh	Telecommunication services	70	70	-

Sr. No.	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
16	Bharti International (Singapore) Pte. Ltd.*	Singapore	Telecommunication services	100	100	-
17	Bharti Airtel International (Netherlands) B.V.	Netherlands	Investment Company	100	100	-
18	Airtel M Commerce Services Limited	India	Telecommunication services	100	-	-
19	Bharti Airtel International (Mauritius) Ltd.	Mauritius	Investment Company	100	-	-
20	Bharti Airtel Japan Kabushiki Kisha	Japan	Telecommunication services	100	-	-
21	Bharti Airtel France SAS	France	Telecommunication services	100	-	-
22	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	-	-
23	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	-	-
24	Airtel Burkina Faso S.A. (Formerly known as Celtel Burkina Faso S.A.)	Burkina Faso	Telecommunication services	100	-	-
25	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	-	-
26	Celtel chad S.A.	Chad	Telecommunication services	100	-	-
27	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	-	-
28	Celtel Gabon S.A.	Gabon	Telecommunication services	90	-	-
29	Bharti Airtel Cameroon Holdings B.V.	Netherlands	Investment Company	100	-	-
30	Celtel Cameroon S.A.	Cameroom	Telecommunication services	100	-	-
31	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	-	-
32	Airtel Congo S.A. (Formerly known as Celtel Congo S.A.)	Congo Brazzavile	Telecommunication services	90	-	-
33	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	-	-
34	Partnership Investments Sprl	Congo DRC	Investment Company	100	-	-
35	Celtel Congo RDC S.a.r.l.	Congo DRC	Telecommunication services	98.5	-	-
36	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	-	-
37	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	-	-
38	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	-	-
39	Airtel Networks Kenya Limited (Formerly known as Celtel Kenya Ltd.)	Kenya	Telecommunication services	100	-	-
40	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	-	-
41	Airtel Malawi Limited (Formerly known as Celtel Malawi Ltd.)	Malawi	Telecommunication services	100	-	-
42	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	-	-
43	Celtel Niger S.A.	Niger	Telecommunication services	90	-	-
44	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	-	-
45	Airtel Sierra Leone Limited	Sierra Leone	Telecommunication services	100	-	-
46	Celtel Zambia Plc	Zambia	Telecommunication services	96.35	-	-
47	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	-	-
48	Airtel Uganda Limited (Formerly known as Celtel Uganda Ltd.)	Uganda	Telecommunication services	100	-	-
49	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	-	-
50	Airtel Tanzania Limited (Formerly known as Celtel Tanzania Ltd.)	Tanzania	Telecommunication services	60	-	-
51	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	-	-
52	Channel Sea Management Company (Mauritius) Ltd.	Mauritius	Investment Company	100	-	-
53	Zain IP (Mauritius) Ltd.	Mauritius	Investment Company	100	-	-
54	Montana International S.A.	Mauritius	Telecommunication services	100	-	-
55	Airtel Madagascar S.A. (Formerly Celtel Madagascar S.A.)	Madagascar	Telecommunication services	100	-	-
56	Bharti Airtel Nigeria Holdings B.V.	Netherlands	Investment Company	100	-	-
57	MSI-Celtel Nigeria Limited	Nigeria	Telecommunication services	100	-	-
58	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	-	-
59	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	-	-
60	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	-	-
61	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	Ghana	Telecommunication services	75	-	-
62	Bharti Airtel Acquisition Holdings B.V.	Netherlands	Investment Company	100	-	-
63	Bharti Airtel Middle East B.V.#	Netherlands	Investment Company	100	-	-

Sr. No.	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group		
				March 31, 2011 %	March 31, 2010 %	April 1, 2009 %
64	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	-	-
65	Bharti Airtel IP Netherlands B.V.#	Netherlands	Investment Company	100	-	-
66	Bharti Airtel Tanzania Holdings B.V.#	Netherlands	Investment Company	100	-	-
67	Airtel Networks Limited (Formerly known as Celtel Nigeria Ltd.)	Nigeria	Telecommunication services	65.7	-	-
68	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	-	-
69	Bharti Airtel Morocco Holdings B.V.#	Netherlands	Investment Company	100	-	-
70	Zap Trust Company Ltd. (Malawi)	Malawi	Mobile commerce services	100	-	-
71	Zap Trust Company Ltd. (Kenya)	Malawi	Mobile commerce services	100	-	-
72	Zap Trust Company Ltd. (Ghana)	Ghana	Mobile commerce services	100	-	-
73	Celtel (Mauritius) Holdings Ltd.	Mauritius	Investment Company	100	-	-
74	ZMP Limited (Zambia)	Zambia	Mobile commerce services	100	-	-
75	Zap Trust Company (SL) Ltd. (Sierra Leone)	Sierra Leone	Mobile commerce services	100	-	-
76	Zain Mobile Commerce Tchad SARL	Chad	Mobile commerce services	100	-	-
77	Zap Mobile Commerce B.V.	Netherlands	Investment Company	100	-	-
78	Mobile Commerce Gabon S.A.	Gabon	Mobile commerce services	100	-	-
79	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	-	-
80	Zap Niger S.A. (Niger)	Niger	Mobile commerce services	100	-	-
81	Societe Malgoche de Telphone Cellulaire S.A.	Mauritius	Investment Company	100	-	-
82	Zap Holdings B.V.	Netherlands	Investment Company	100	-	-
83	Zap Trust Company Nigeria Ltd.	Nigeria	Mobile commerce services	100	-	-
84	Indian Ocean Telecom Limited	Jersey	Telecommunication services	100	-	-
85	Telecom Seychelles Limited	Seychelles	Telecommunication services	100	-	-
86	Zap Trust Company Tanzania Ltd.	Tanzania	Mobile commerce services	100	-	-
87	Zap Trust Company Uganda Ltd.	Uganda	Telecommunication services	100	-	-
88	Zain Plc#	Netherlands	Investment Company	100	-	-
89	Uganda Towers Limited	Uganda	Infrastructure sharing services	100	-	-
90	Airtel DTH Services Ghana Limited	Ghana	Mobile commerce services	100	-	-
91	Airtel DTH Services Malawi Limited	Malawi	Mobile commerce services	100	-	-
92	Airtel DTH Services Uganda Limited	Uganda	Mobile commerce services	100	-	-
93	Africa Towers N.V.	Netherland	Investment Company	100	-	-
94	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	100	-	-
95	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	-	-
96	Airtel DTH Services (K) Limited	Kenya	Direct to Home services	100	-	-
97	Airtel DTH Services (Sierra Leone) Limited	Sierra Leone	Direct to Home services	100	-	-
98	Airtel DTH Services Burkina Faso S.A.	Burkina Faso	Direct to Home services	100	-	-
99	Airtel DTH Services Congo S.A.	Congo	Direct to Home services	100	-	-
100	Airtel DTH Services Madagascar S.A.	Madagascar	Direct to Home services	100	-	-
101	Airtel DTH Services Niger S.A.	Niger	Direct to Home services	100	-	-
102	Airtel DTH Services Nigeria Limited	Nigeria	Direct to Home services	100	-	-
103	Airtel DTH Services Tchad S.A.	Chad	Direct to Home services	100	-	-
104	Airtel DTH Services Tanzania Limited	Tanzania	Direct to Home services	100	-	-
105	Airtel DTH Services Zambia Limited	Zambia	Direct to Home services	100	-	-
106	Airtel Towers S.L. Limited	Sierra Leone	Infrastructure sharing services	100	-	-
107	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	100	-	-
108	Congo Towers S.A.	Congo	Infrastructure sharing services	100	-	-
109	Kenya Towers Limited	Kenya	Infrastructure sharing services	100	-	-
110	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	-	-
111	Mobile Commerce Congo S.A.	Congo	Mobile commerce services	100	-	-
112	Niger Towers S.A.	Niger	Infrastructure sharing services	100	-	-
113	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	100	-	-
114	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	-	-
115	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	100	-	-
116	Zain Developers Form	Zambia	Investment Company	100	-	-
117	Zambia Towers Limited	Zambia	Infrastructure sharing services	100	-	-
118	Airtel Money RDC s.p.r.l.	Congo	Mobile commerce services	100	-	-
119	Zap Trust Burkina Faso S.A.	Burkina Faso	Telecommunication services	100	-	-

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

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

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

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

Dissolved during the year ended March 31, 2011.

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

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

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

44. Transition to IFRS

Basis of preparation

For all periods up to and including the year ended March 31, 2010, the Group, its joint ventures and associates prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements, for the year ended March 31, 2011, are the Group's first annual IFRS financial statements and have been prepared in accordance with IFRS.

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods beginning on or after April 1, 2010 as described in the accounting policies. In preparing these financial statements, the Group's, its joint ventures' and associates opening statement of financial position was prepared as of April 1, 2009, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Indian GAAP statement of financial position as of April 1, 2009 and its previously published Indian GAAP financial statements for the year ended March 31, 2010.

Exemptions applied

IFRS 1 *First-Time Adoption of International Financial Reporting Standards* allows first-time adopters certain exemptions from the retrospective application of certain IFRSs effective for March 2011 year-ends.

The Group has applied the following exemptions:

1. Certain subsidiaries have adopted IFRS earlier than the Group, therefore, while preparing consolidated financial statements, the Group has elected to measure the assets and liabilities of such entities at the same amounts as in its IFRS financial statements as of April 1, 2009 after making appropriate consolidation adjustments.
2. The Group has applied the transitional provision in IFRIC4 *"Determining whether an Arrangement contains a Lease"* and has assessed all arrangements as at the date of transition.
3. The Group has decided to disclose prospectively from the date of transition the following, as required by IAS 19;
   i. The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and
   ii. The experience adjustments arising on;
      a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and
      b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

The Group has opted to apply IFRS 3(R) in respect of all business combinations occurred since its inception.

The Group has not elected to measure any item of Property, Plant and Equipment at the date of transition to IFRS at its fair value.

Impact of transition to IFRS

The following is a summary of the effects of the differences between IFRS and Indian GAAP on the Group's total equity shareholders' funds and profit for the financial period for the periods previously reported under Indian GAAP following the date of transition to IFRS.

Group, its joint ventures and associates reconciliation of Equity as of April 1, 2009 (date of transition to IFRS):

Particulars	Notes	Regrouped I GAAP	IFRS Adjustments	IFRS
Assets				
Non-current assets				
Property, plant and equipment	I	459,375	(22,893)	436,482
Intangible assets	II	21,632	28,166	49,798
Investment in associates		14	-	14
Derivative financial assets	III (i)	(4,672)	11,243	6,571
Other financial assets	III (ii)	6,490	(1,816)	4,674
Other non-financial assets	III (ii)	1,942	1,714	3,656
Deferred tax asset	V	7,101	(3,114)	3,987
		491,882	**13,300**	**505,182**
Current assets				
Inventories		962	-	962
Trade and other receivable		41,732	(412)	41,320
Derivative financial assets		4,563	-	4,563
Prepayments and other assets	III (ii)	32,838	(5,666)	27,172
Income tax recoverable		3,182	-	3,182
Short-term investments	III (iii)	36,544	94	36,638
Other financial assets		84	-	84
Cash and cash equivalents		14,432	-	14,432
		134,337	**(5,984)**	**128,353**
Total assets		**626,219**	**7,316**	**633,535**
Equity and liabilities				
Equity				
Issued capital		18,982	-	18,982
Treasury shares	VI	-	(107)	(107)
Share premium		40,147	16,172	56,319
Deferred stock compensation		1,405	(1,405)	-
Retained earnings/(deficit)		216,383	(405)	215,978
Foreign currency translation reserve	I (iii) (b)	225	1,571	1,796
Other components of equity	III (iv)	14,136	3,195	17,331
Equity attributable to equity holders of parent		**291,278**	**19,021**	**310,299**
Non-controlling interest	III (iv)	12,297	1,092	13,389
Total equity		**303,575**	**20,113**	**323,688**
Non-current liabilities				
Borrowing	III (iv)	54,732	(1,332)	53,400
Deferred revenue	I (iii) (b)	11,718	(240)	11,478
Provisions	I (ii)	11,734	(6,803)	4,931
Derivative financial liabilities		227	-	227
Deferred tax liability		3,725	-	3,725
Other financial liabilities	III (ii)	8,193	(982)	7,211
Other non-financial liabilities	III (ii)	1,490	972	2,462
		91,819	**(8,385)**	**83,434**

Particulars	Notes	Regrouped I GAAP	IFRS Adjustments	IFRS
Current liabilities				
Borrowing		79,621	-	79,621
Deferred revenue		22,923	-	22,923
Provisions		744	-	744
Other non-financial liabilities		5,672	-	5,672
Derivative financial liabilities		164	-	164
Trade and other payables	IV	121,701	(4,412)	117,289
		230,825	**(4,412)**	**226,413**
Total liabilities		**322,644**	**(12,797)**	**309,847**
Total equity and liabilities		**626,219**	**7,316**	**633,535**

Principal difference between IFRS and Indian GAAP

Measurement and recognition difference

I. Property, Plant and Equipment

i. Assets previously revalued under Indian GAAP

Under Indian GAAP, under the Scheme of demerger ("The Scheme") sanctioned by The Hon'able High court of Delhi, the Group revalued the passive infrastructure assets to fair value with corresponding increase in business restructuring reserve.

Under IFRS, these assets have been restated at historical cost with a corresponding reversal of business restructuring reserve.

ii. Decommissioning liabilities or Asset retirement obligation

Asset retirement obligations (ARO) are capitalised under both Indian GAAP and IFRS. However, under Indian GAAP the ARO is initially measured at the expected cost to settle the obligation, whereas under IFRS the ARO is initially measured at the present value of expected cost to settle the obligation.

iii. Foreign exchange fluctuation

a) Fluctuations in foreign exchange on foreign currency denominated loans and liabilities.

Under Indian GAAP, certain foreign exchange gains or losses on foreign currency denominated loans and liabilities were capitalised into the carrying value of fixed assets until March 31, 2008. Under IFRS, the Group recognizes such gains and losses immediately in profit or loss and the cost of fixed assets has correspondingly been adjusted as at the date of transition to IFRS.

b) Translation of foreign operations' financial statements

Under Indian GAAP, financial statements of integral foreign operations are translated as if the transactions have been conducted by the Group itself. The resulting translation difference is adjusted in the statement of comprehensive income under finance cost/income. Under IFRS, the functional currency of certain entities previously treated as integral has been assessed as a foreign currency. Accordingly, assets, liabilities and results of these foreign operations are translated in accordance with the Group's accounting policy for foreign operations.

II. Intangibles

i. Goodwill

Under the Indian GAAP, Goodwill on acquisition is initially measured as the excess of purchase consideration over the Company's interest in the net identifiable assets of the acquired entity. Subsequently it is amortised on a straight line basis over the remaining period of service license of the acquired company or over 10 years, whichever is less.

Under IFRS, Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition together with the previously held interest in respect of acquired entity over the Company's interest in the net fair value of the identifiable assets and liabilities of the entity. Goodwill is not subject to amortisation but is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. In IFRS goodwill relating to acquisition of foreign operations is held in the currency of the acquired entity and revalued to the closing rate at each date of statement of financial position.

The Company opted to retrospectively apply IFRS 3 (revised) "Business Combination". Accordingly, it has re-measured goodwill stated earlier under the Indian GAAP for all business combinations effected prior to April 1, 2009.

ii. **Other intangibles acquired on business combination**

Under Indian GAAP, assets and liabilities acquired in a business combination are recognised in the consolidated statement of financial position at their previous carrying value.

Under IFRS, assets and liabilities acquired in a business combination are recognised at fair value. Intangible assets recognised comprise of brands, customer relationships and distribution networks. They are capitalised at fair value on the date of acquisition and subsequently amortised in accordance with the Group's accounting policy.

III. **Financial instruments**

i. **Derivative financial instruments**

Under Indian GAAP, derivative contracts are measured at fair value at each balance sheet date to the extent of any reduction in fair value, and the loss on valuation is recognised in the income statement. A gain on valuation is only recognised by the Group if it represents the subsequent reversal of an earlier loss.

Under IFRS, both reductions and increases to the fair values of derivative contracts are recognised in profit or loss.

ii. **Fair valuation of Financial assets and liabilities**

The Group has other financial receivables and payables that are not derivative financial instruments. Under Indian GAAP, these were measured at transaction cost less allowances for impairment, if any. Under IFRS, these financial assets and liabilities are generally classified as loans and receivable or other financial liabilities. They are initially recognised at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expense or finance income in the statement of comprehensive income for financial liabilities and financial assets respectively.

iii. **Held for trading investments**

Under Indian GAAP held for trading investments are measured at the lower of cost or market price. Difference between the cost and market price is recognised in profit or loss.

Under IFRS held for trading investments are measured at fair value and any gain or loss is recognised in profit or loss.

iv. **Compound financial instrument**

Under the Indian GAAP, Compulsory Convertible Debentures (CCD) are stated initially at cost. On conversion, the carrying amount is transferred to equity.

Under IFRS, the CCD is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortized cost determined using a market rate for an equivalent non-convertible bond. The residual amount is recognised in equity.

The finance cost arising on the liability component is included in finance cost in the statement of comprehensive income. The carrying amount of the conversion option as reflected in the equity is not re-measured in subsequent periods.

IV. **Proposed dividend**

Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under IFRS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (on approval of Shareholders in a general meeting) or paid. Therefore the liability recorded has been derecognised.

V. **Deferred tax**

The Group has accounted for deferred tax on the various adjustments between Indian GAAP and IFRS at the tax rate at which they are expected to reverse.

Treasury shares

Under Indian GAAP the shares issued to Bharti Tele-ventures Employees' Welfare Trust are recognized as an investment in trust whereas under IFRS the same is deducted from equity as treasury shares.

VI. **Statement of cash flows**

The impact of transition from Indian GAAP to IFRS on the statement of cash flows is due to various reclassification adjustments recorded under IFRS in Consolidated statement of financial position and Consolidated statement of comprehensive income and difference in the definition of cash and cash equivalents under these two GAAPs.

Subsequent reconciliations post transition on March 31, 2009

Group, its joint ventures and associates reconciliation of Equity as of March 31, 2010:

Particulars	Notes	Regrouped I GAAP	IFRS Adjustments	IFRS
Assets				
Non-current assets				
Property, plant and equipment	I	503,919	(21,290)	482,629
Intangible assets	II	28,841	31,049	59,890
Investment in associates		57	-	57
Derivative financial assets	III (i)	393	2,944	3,337
Other financial assets	III (ii)	10,824	(3,456)	7,368
Other non-financial assets	III (ii)	4,177	3,308	7,485
Deferred tax asset	V	14,093	(1,604)	12,489
		562,304	**10,951**	**573,255**
Current assets				
Inventories		484	-	484
Trade and other receivable		35,711	-	35,711
Derivative financial assets		144	-	144
Prepayments and other assets	III (ii)	22,174	(1,339)	20,835
Income tax recoverable		2,826	-	2,826
Short-term investments	III (iii)	51,622	642	52,264
Other financial assets		98	-	98
Cash and cash equivalents		25,323	-	25,323
		138,382	**(697)**	**137,685**
Total assets		**700,686**	**10,254**	**710,940**
Equity and liabilities				
Equity				
Issued capital		18,988	0	18,988
Treasury shares	VI	(1)	(80)	(81)
Share premium		40,533	15,966	56,499
Deferred stock compensation		2,620	(2,620)	-
Retained earnings/(deficit)		301,294	48	301,342
Foreign currency translation reserve	I (iii) (b)	158	666	824
Other components of equity	III (iv)	35,197	9,171	44,368
Equity attributable to equity holders of parent		**398,789**	**23,151**	**421,940**
Non-controlling interest	III (iv)	28,554	(3,269)	25,285
Total equity		**427,343**	**19,882**	**447,225**
Non-current liabilities				
Borrowing	III (iv)	81,571	(97)	81,474
Deferred revenue	I (iii) (b)	11,999	(777)	11,222
Provisions	I (ii)	7,822	(4,043)	3,779
Derivative financial liabilities		289	-	289
Deferred tax liability		3,737	-	3,737
Other financial liabilities	III (ii)	13,380	(2,520)	10,860
Other non-financial liabilities	III (ii)	1,490	2,422	3,912
		120,288	**(5,015)**	**115,273**

Particulars	Notes	Regrouped I GAAP	IFRS Adjustments	IFRS
Current liabilities				
Borrowing		20,424	-	20,424
Deferred revenue		19,027	-	19,027
Provisions		881	(7)	874
Other non-financial liabilities		5,399	-	5,399
Derivative financial liabilities		415	-	415
Trade and other payables	IV	106,909	(4,606)	102,303
		153,055	**(4,613)**	**148,442**
Total liabilities		**273,343**	**(9,628)**	**263,715**
Total equity and liabilities		**700,686**	**10,254**	**710,940**

Group, its joint ventures and associates reconciliation of Statement of comprehensive income for the year ended March 31, 2010:

Particulars	Notes	Regrouped I GAAP	IFRS Adjustments	IFRS
Revenue	III (ii)	418,295	177	418,472
Operating expenses	III (ii)	(250,741)	(98)	(250,839)
		167,554	**79**	**167,633**
Depreciation and amortisation	I & II	(64,099)	1,267	(62,832)
Profit/(Loss) from operating activities		**103,455**	**1,346**	**104,801**
Share of results of associates		(48)	-	(48)
Other income		698	(1)	697
Non-operating expense		(181)	-	(181)
Profit/(Loss) before finance income and cost and tax		**103,924**	**1,345**	**105,269**
Finance income	I (ii), I (iii) & III	16,670	711	17,381
Finance costs	I (ii), I (iii) & III	(11,639)	(5,920)	(17,559)
Profit/(Loss) before tax		**108,955**	**(3,864)**	**105,091**
Income tax income/(expense)	V	(15,339)	1,886	(13,453)
Net profit/(loss) for the year		**93,616**	**(1,978)**	**91,638**
Profit/(loss) attributable to :				
Equity holders of the parent		91,632	(1,864)	89,768
Non-controlling interests		1,984	(114)	1,870
Net Profit/(Loss)		**93,616**	**(1,978)**	**91,638**

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

(₹ in Mn)

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

(₹ in Mn)

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

@ Including share application money

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

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

Non operational

^ Reserves includes ESOP outstanding of ₹ 1,072Mn

Notes 1. For those entities that have year ending other than March 31, all material transactions taking place between 31st Dec 2010 and 31st March 2011 have been adjusted while arriving at the above amounts.

2. Where ever the absolute number being less than a million, has been disclosed as “0”.

3. The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.03.2011

4. The following subsidiaries :- (a) Celtel Cameroon S.A. (b) Partnership Investments Sprl (c) Channel Sea Management Company (Mauritius) Ltd. (d) Zain IP (Mauritius) Ltd. (e) Montana International S.A (f) MSI-Celtel Nigeria Limited (g) Zap Trust Company Ltd. (Malawi) (h) Zap Trust Company Ltd. (Kenya) (i) Zap Trust Company Ltd. (Ghana) (j) ZMP Limited (Zambia) (k) Zap Trust Company (SL) Ltd. (Sierra Leone) (l) Zain Mobile Commerce Tchad SARL (m) Zap Mobile Commerce B.V. (n) Mobile Commerce Gabon S.A. (o) Malawi Towers Limited (p) Zap Niger S.A. (Niger) (q) Societe Malgoche de Telphone Cellulaire S.A. (r) Zap Holdings B.V. (s) Zap Trust Company Nigeria Ltd. (t) Zap Trust Company Tanzania Ltd (u) Zap Trust Company Uganda Ltd. (v) Uganda Towers Limited (w) Airtel DTH Services Ghana Limited (x) Airtel DTH Services Malawi Limited (y) Airtel DTH Services Uganda Limited (z) Africa Towers N.V. (aa) Airtel Towers (Ghana) Limited (ab) Bharti Airtel DTH Holdings B.V. (ac) Airtel DTH Services (K) Limited (ad) Airtel DTH Services (Sierra Leone) Limited (ae) Airtel DTH Services Burkina Faso S.A (af) Airtel DTH Services Congo S.A. (ag) Airtel DTH Services Madagascar S.A. (ah) Airtel DTH Services Niger S.A. (ai) Airtel DTH Services Nigeria Limited (aj) Airtel DTH Services Tchad S.A. (ak) Airtel DTH Services Tanzania Limited (al) Airtel DTH Services Zambia Limited (am) Airtel Towers S.L. Limited (an) Burkina Faso Towers S.A. (ao) Congo Towers S.A. (ap) Kenya Towers Limited (aq) Madagascar Towers S.A. (ar) Mobile Commerce Congo S.A. (as) Niger Towers S.A. (at) Tanzania Towers Limited (au) Tchad Towers S.A. (av) Towers Support Nigeria Limited (aw) Zain Developers Form (ax) Zambia Towers Limited (ay) Airtel Money RDC S.p.r.l. (az) Zap Trust Burkina Faso S.A. have been newly incorporated during the year and have not been included in the above statement as the first financial statements of these subsidiaries will be prepared for the period ending on March 31, 2012

5. The financial information for subsidiaries mentioned at sr. no. 20 to 61 above has been prepared based on IFRS as issued by IASB including one time adjustment on account of accounting policy changes.

6. The financial information for subsidiaries mentioned at sr.no. 1 to 19 above has been prepared based on the Generally Accepted Accounting Principles applied in the preparation of their respective financial statements.

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Hyderabad – 500 016

Bihar
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Anand Vihar,
Boring Canal Road,
Patna – 800 001

Delhi NCR
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Gurgaon – 122 001

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

Haryana, Punjab, Himachal and J&K
Plot No. 21,
Rajiv Gandhi Technology Park,
Chandigarh – 160 101

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

Madhya Pradesh & Chhatisgarh
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Metro Tower,
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AB Road,
Indore – 452 010

Maharashtra & Goa
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Interface Building No 7,
Link Road,
Malad (W),
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Rajasthan
K – 21,
Malviya Marg,
C – Scheme,
Jaipur – 302 001

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Chennai – 600 028

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