{ enriching lives }

airtel

Bharti Airtel Limited - Annual Report 2011-12

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Corporate information

Board of directors

Mr. Sunil Bharti Mittal Chairman & Managing Director	**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	**Mr. Manoj Kohli** CEO (International) & Joint Managing Director

CEO (India & South Asia)

Mr. Sanjay Kapoor

Group General Counsel & Company Secretary

Mr. Mukesh Bhavnani

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

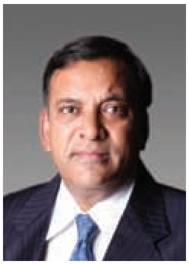
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase – II, New Delhi – 110 070, India

Website

http://www.airtel.in

Board of directors

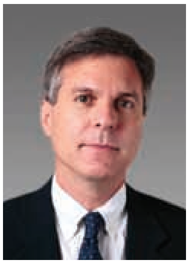

Sunil Bharti Mittal

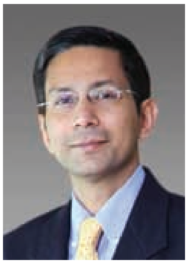

Akhil Gupta

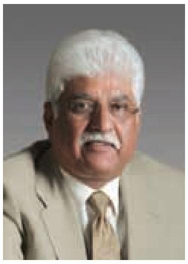

Chua Sock Koong


N. Kumar

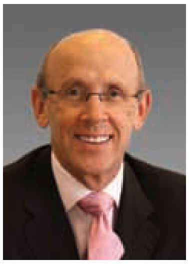

Ajay Lal


Craig Ehrlich


Pulak Prasad

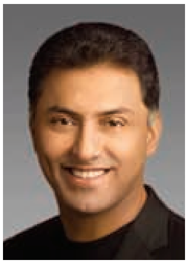

Rakesh Bharti Mittal


Tan Yong Choo


Evan Mervyn Davies

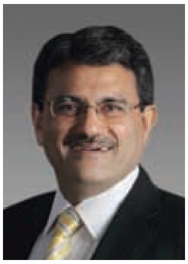

Rajan Bharti Mittal


Hui Weng Cheong


Nikesh Arora


Salim Ahmed Salim


Tsun-yan Hsieh

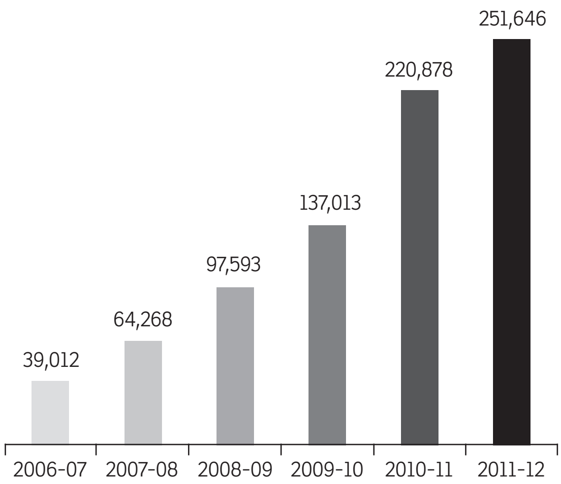

Manoj Kohli

Performance at a glance

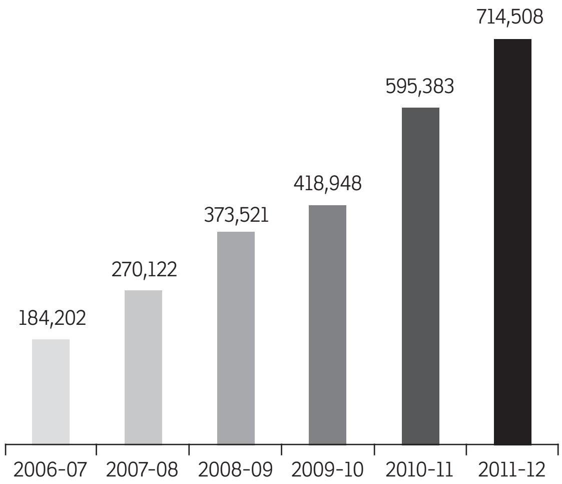
Particulars	Units	Financial Year Ended March 31					
		2007	2008	2009	2010	2011	2012
Total customer base	000's	39,012	64,268	97,593	137,013	220,878	251,646
Mobile services	000's	37,141	61,985	94,462	131,349	211,919	241,148
Broadband & telephone services	000's	1,871	2,283	2,726	3,067	3,296	3,270
Digital TV services	000's	-	-	405	2,597	5,663	7,228
Based on consolidated income statement							
Revenue	₹ Mn	184,202	270,122	373,521	418,948	595,383	714,508
EBITDA	₹ Mn	74,407	114,018	152,858	168,149	200,718	237,123
Cash profit from operations	₹ Mn	73,037	111,535	135,769	167,971	178,905	198,939
Earnings before tax	₹ Mn	46,784	73,115	85,910	105,091	76,782	65,183
Profit after tax	₹ Mn	40,621	63,954	78,590	89,768	60,467	42,594
Based on consolidated statement of financial position							
Shareholder's equity	₹ Mn	114,884	217,244	291,279	421,940	487,668	506,113
Net debt	₹ Mn	42,867	40,886	84,022	23,920	599,512	650,394
Capital employed	₹ Mn	157,750	258,130	375,301	445,860	1,087,180	1,156,507
Key ratios							
EBITDA margin	%	40.39	42.21	40.92	40.14	33.71	33.19
Net profit margin	%	22.05	23.68	21.04	21.43	10.16	5.96
Return on shareholder's equity	%	43.10	38.51	30.91	24.52	13.30	8.57
Return on capital employed	%	31.57	33.29	30.69	20.65	10.79	7.20
Net debt to EBITDA	times	0.58	0.36	0.55	0.15	2.95	2.56
Interest coverage ratio	times	26.47	29.51	30.38	30.65	11.20	8.40
Book value per equity share *	₹	30.30	57.23	76.72	111.13	128.41	133.27
Net debt to shareholder's equity	times	0.37	0.19	0.29	0.06	1.23	1.29
Earnings per share (basic) *	₹	10.72	17.12	20.70	23.67	15.93	11.22

Financial information for years ending till March 31, 2009 is based on Indian GAAP and for years ending March 31, 2010, 2011 and 2012 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. Previous year's figures have been restated accordingly.

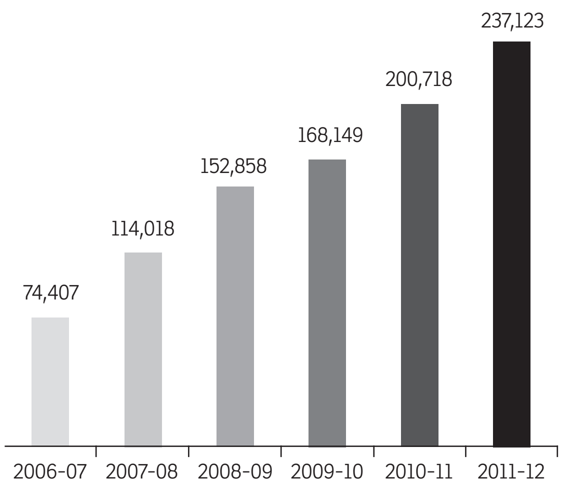
Customer base (Nos.'000)



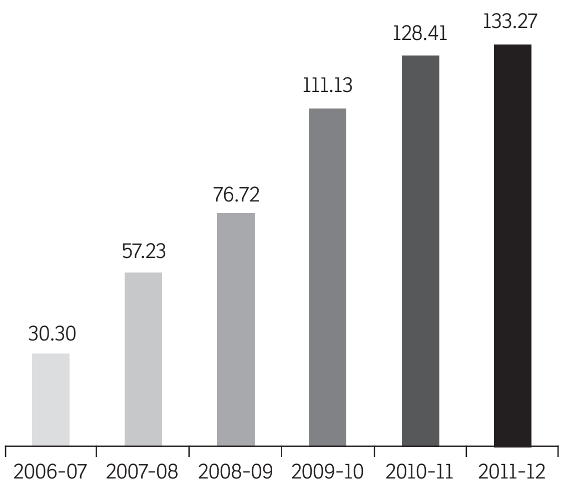
Revenues (₹ Millions)



EBITDA (₹ Millions)



Book value per equity share (₹)



Message
Chairman

Dear Shareholders,

2011-12 has been a challenging year for the global economy. Even as the US economy has registered a slow but steady recovery, the Euro Zone has plunged into one of the worst debt crises in global history. Commodity price volatility and sharp exchange rate fluctuations have also taken their toll on global growth.

At the industry level, telecom is in the midst of a tectonic shift. Data is clearly the future of mobile telecom and Airtel is gearing itself up for this. New generation mobile technologies with much faster data capabilities are steadily taking root, opening up mind-boggling possibilities in new service areas like healthcare, banking, commerce and education. Still at an early stage of this shift, as voice continues to be the mainstay of the telecom industry, Airtel has taken some defining early initiatives to reinforce our leadership in the emerging data centric environment, much the same way as we enabled the 'voice revolution' in India.

During the year, Bharti Airtel led from the front as we systematically rolled out our 3G network, across India, making Airtel the most robust network in the country. We also launched our 3G networks in seven African markets. Our launch of 4G services in April 2012 marked another watershed for the Indian telecom industry. This is the first technology platform that India has launched simultaneously with its global release, helping move the Indian telecom industry to a global standard.

At the industry level, telecom is in the midst of a tectonic shift. Data is clearly the future of mobile telecom and Airtel is gearing itself up for this.

Airtel Money was a distinctive service launch for us during the year in India and eight other African markets. Besides being the first of its kind, m-commerce service offered by an operator in India, it is also India's first mobile-based service to offer instant money transfer. The rapidly growing service is today available in 300+ key cities in India. The service is gaining rapid traction in the African market as well where penetration of banking services remains short.

The year also saw several significant changes in the regulatory landscape in India. These will have long term implications for the sector. Cancellation of several 2G licenses allotted to other telecom operators by the Hon'ble Supreme Court was one such significant event. The issue of pricing of 2G spectrum in India is however still hanging fire. We are hopeful that both the Regulator and the Government will finally come to a judicious auction-led pricing formula in the interest of the sector's financial health.

To align our businesses to the evolving dynamics of the marketplace in India & South Asia, we ushered in key structural changes in the organisation. We are now organized under two distinct verticals – B2C (Business to Customer) and B2B (Business to Business). The restructured business verticals are helping drive enhanced employee empowerment and business efficiency and helping strengthen the foundation for the needs of our most important stakeholder, our customer.

In Africa, the individual country operations stabilized considerably both in terms of customer addition rate, revenue growth and brand salience. Operating margins too strengthened significantly, as benefits of the low cost business model started to kick in. Overall, it has been a very steady, upwardly moving learning curve for us in the continent readying us for the next round of growth. Crossing the 50 million customer mark constituted a major milestone for us in the region during the year. Launch of mobile services in Rwanda was the other highpoint for us in the continent, marking the 20th country in our global footprint.

The past year witnessed Airtel reconnecting with its prime target audience – the youth – with a path breaking brand campaign in India – 'Har Friend Zaroori Hai'. The campaign had a universal appeal and resonated deeply among the target segment. The other major youth related theme that we developed across all our operations was that of sports. While we introduced Formula One in the Indian sub-continent, in Africa, we connected with youth through Airtel's Rising Stars programme for football enthusiasts. We are confident that these two properties will help augment the Airtel brand considerably.

Relationships with business partners continue to be at the heart of our success. Setting up of a robust Global Delivery Model (GDM) and successful replication of partner ecosystems have contributed immensely to our success in Africa. In India too, we have renewed many of our managed network services contracts besides entering into relationships with new partners in emerging technology areas such as 3G and 4G.

People continue to be the most important driver of our strategic intent and initiatives. Our extended global presence makes it imperative to implement a global talent management plan that helps achieve a balance between promotion of local talent and expat induction. The 'Africa Leadership Initiative' is a step in this direction to complement our initiatives in India and South Asia to create a sustainable talent pipeline for our operations.

As a responsible corporate, we continue to stay focused on running our business in an environmentally sustainable and socially responsible manner. While we continued to find innovative ways to reduce our carbon footprint, our philanthropic arm, the Bharti Foundation focused its energies primarily on upgradation and consolidation of its operations in India. Of the 253 schools being run by the Foundation, we upgraded 62 to the Elementary level. The Foundation also added four more Senior Secondary Schools to its portfolio during the year, taking our student population to over 37,000 children across rural India. Airtel Africa continued to strengthen its primary school adoption programme. We currently have 20 schools adopted across the 17 markets in Africa and intend to take this count to 45 during the coming year.

Overall, 2011-12 turned out to be a year of stabilisation and growth in Africa, where the individual operations strengthened their market position vis-à-vis competition. In India, it was a year of reassertion of our connect with the customer and leadership through technology.

I would like to express my sincere gratitude to all our shareholders, partners and employees for their unwavering support during the year. As the Industry's regulatory landscape becomes clearer, I see an exciting journey ahead for Airtel – one of new approaches, new challenges, new opportunities and new horizons.

Sunil Bharti Mittal
Chairman & Managing Director

Message
CEO (International) & JMD

Dear Shareholders,

By March 2012, we completed 21 months of Bharti Airtel's presence in Africa. While we face economic and business challenges, we continued to drive growth in our Brand preference, Revenue Market Share and superior margins.

The last financial year was a positive one for us despite major restructuring of Network, IT, Call Centre, Brand, Distribution as well as organization design. We recorded significant successes in our operations across Africa and successfully launched key initiatives such as Airtel Money, 3G network rollout, school adoption initiative and most importantly, launch of operations in Rwanda in a record time. The launch of operations in Rwanda thus expanded our footprint in Africa to 17 countries.

We also witnessed increased collaboration and team work across the OpCos, and this is evident in the way we are succeeding in the market place. The acquisition of our 50 millionth customer in Africa is testimony to this success. When we set out on our journey in June 2010 with 36

One of the key opportunities in Africa remains the low penetration levels in most of our countries of operation. We are fully exploiting this opportunity and driving deeper penetration through affordability based initiatives.

million customers, we clearly set out our vision of becoming "the most loved brand in the daily lives of African people". We have already embarked on the next part of our journey of acquiring the next 50 million customers in Africa.

One of the key opportunities in Africa remains the low penetration levels in most of our countries of operation. We are fully exploiting this opportunity and driving deeper penetration through affordability based initiatives, especially in the rural areas. Deeper distribution, low denomination recharge vouchers and ultra-low cost handsets are some of the initiatives we have been running during the year to address this opportunity. These initiatives will also continue to be a big focus for us in the coming year.

We are also leveraging 3G and Data Services, which are currently untapped in Africa. We launched our 3G operations in seven countries during the year, namely Nigeria, Zambia, Tanzania, Ghana, Kenya, Sierra Leone and Congo B. Driving 3G and data services are in line with one of our key objectives of growing non-voice revenues. We are also aggressively driving penetration of low cost smartphones and dongles to ensure that our customers have affordable access to our 3G and data services. 3G launches for the remaining countries that have licenses will take place by September 2012.

As the unbanked population in Africa is high (in most countries over 90%), we are also leveraging this through Airtel Money. This is a truly unique product which enables our customers even in the rural areas to be connected to the financial world. Airtel Money has been launched in 8 countries, namely, Zambia, Tanzania, Ghana, Malawi, Kenya, Uganda, DRC and Gabon. The launches for the remaining countries will take place by September 2012.

Half of Africa's population comprises of youth between the ages of 15 – 25 with the median age being 18. This is another opportunity area that we have identified and have thus launched youth campaigns tailor made to the specific countries. The youth of Africa have fully embraced the use of telephony and internet services, especially the use of social network platforms such as Facebook, Google and Twitter. Content download, especially music and video are also proving to be popular amongst the youth of Africa. We have therefore been fully leveraging this opportunity. It will continue to be a key focus area for us during the coming years.

One of the biggest passion points for Africa is football. As expected, Airtel Rising Stars (ARS), our grassroots football development initiative, continued to take center stage across our markets during the year. We are also leveraging on our partnerships with Manchester United and Arsenal. This initiative has proved hugely popular with the youth of Africa and the society at large and we will also continue to focus on this initiative in the coming year as well.

In line with our CSR philosophy of supporting the education of underprivileged children, we continued to adopt and support schools in our African markets. We currently have 20 schools adopted across our markets and we intend to end the coming year with 45 schools.

We also launched our "Africa Leadership initiative" which is an initiative to develop the skills and capabilities of our people in all our markets of operation. The initiative has received positive feedback and will continue to run in the next year.

Despite the tough economic environment in a few markets such as Malawi and Madagascar, we experienced growth in our Revenue Market Share and Brand preference. Having said this, Africa still does present its unique challenges of dealing in 17 different geographies. Consequently, we have been executing a proactive plan of managing the complexities of dealing with 17 different currencies, tax regimes, regulations and cultures.

As we look forward to the road ahead, we recognize an era of much greater stability and quality through teamwork and rigor. All these will enable us focus on deploying our top transformation projects across the 17 countries of operation. Key focus areas would include growing non-voice revenues, deeper distribution, superior network quality and Africa leadership development. We shall also be leveraging the fantastic opportunities that 3G data, Youth, SMB and Airtel Money present to us. Exploited fully, these opportunities have the capacity to make us truly a distinct brand to both our current and prospective customers in the market.

Africa has been a long term bet for the Company and rightly so due to its large population, median age of 18 years, growing democracies and economies and finally intrinsic customer need for telephony, internet and money transfer services. Fortunately for us, within 21 months the Airtel brand is already getting identified as a high quality service provider for these three core services across 17 markets.

I am sure this good start will result in stronger leadership in various African markets in the years to come.

Manoj Kohli

Manoj Kohli
CEO (International) & Joint Managing Director

Message

CEO (India & South Asia)

Dear Shareholders,

The year 2011-12 has been an exceptionally challenging year for the telecom industry. Uncertainty and ambiguity arising out of the regulatory developments coupled with sustained hyper-competition is making this the toughest phase for the industry since its inception.

Agility emanating from internal synergies and business efficiencies has been Airtel's hallmark. They constitute an intrinsic part of our DNA and have always guided our growth strategy. In the backdrop of fairly fluid business environment and ever intensifying competition, Airtel continued its focus on the key value drivers of its business and delivered successful results this year.

More than 10 years have passed since the last National Telecom Policy (NTP). Markets have evolved; new technologies have emerged. Looking ahead, progressive policies by the government and the telecom regulator are important to facilitate continued expansion and transformation of the sector.

As we move ahead, we constantly strive to imbibe best practices from the global fraternity. Last year we launched our **Vision 2015**, focusing at becoming *the most loved brand and enriching lives of millions.* Stepping forward in this direction, we launched *New Ways of Working* that aims to bring us closer to our customers. We have re-aligned the organizational structure to bring forth a leaner Integrated Customer Centric organization that provides a 'single face' to all our customers.

2011-12 was the year of celebration of friendship for Airtel, reinforcing what the brand truly believes in – the value

"India is amongst the youngest nations in the world with more than 50% of its population below the age of 26. These young adults are constantly immersed in technology and we support their multitude devices" of human relationships. We launched our new endearing brand anthem, connecting with audiences through the ever pervasive and appealing theme of friendship. *Har Friend Zaroori hai, Yaar* (HFZ) struck the right chord with our customers and its distinctive *youth* flavor captured the imagination of the nation. In line with the Company's new international brand identity and positioning, it targets the 18 year old, strengthening our youth connect.

Today, India is amongst the youngest nations in the world with more than 50% of its population below the age of 26. The so-called *Internet generation* has become synonymous with fast-paced lifestyles, desiring instant gratification. We at Airtel have kept pace with the generation and have serviced them, their way. They want a multitude of options without having to commit to subscriptions or memberships – we have provided innovative products to them. They are constantly immersed in technology – we support their multitude devices. These well-informed young adults know what they want. Engaging and empowering them is the mantra.

The ever changing and developing technology demands from the telecom service provider to display dynamism, agility and a 'perpetually future ready' state. While we were behind many countries in the launch of 2G and 3G telecom services, Airtel has ensured that India matches the rest of the world with the launch of the 4G services in April 2012. We have sharpened our focus on leveraging the *data revolution* that will set Airtel on an even higher growth trajectory.

Focusing on the high growth and revenue potential of data, we rolled out our 3G network across geographies giving exemplary 3G experience to our consumers in more than 1100 towns and cities.

Superior customer experience has been our brand hallmark. To provide an exhilarating internet experience, we upgraded all our DSL customers to a minimum speed of 2Mbps in 14 top cities and to 1Mbps in the rest of our coverage area. Our presence across platforms makes us the only player providing the entire suite of data products, across 2G, 3G, 4G and wired DSL enabling our customers to use data across screens.

Living our *Vision 2015*, during the year, we augmented our digital TV portfolio with the launch of a mosaic of interactive service and HD channels. Equipped with best in class technology and superior customer experience, we are well poised to leverage the digitization opportunity in the forthcoming year.

A pioneering service on the telecom network in India, Airtel Money (Semi Closed Wallet) was launched nationally in Feb'12 and is currently available in over 300 towns. In the coming months, we will deepen the impact of Airtel Money by expanding the usage options across a vast range of merchants. With our alliances with the best in class banking institutions, the rural and unbanked mobile subscribers will now have a mobile phone-cum-money account, ushering the next phase of economic revolution through mobile telephony.

The Airtel Enterprise Group got a new identity as *airtel business*, with an objective of strengthening Airtel as a distinct business brand and creating more smiles per cubicle. In its new *avatar*, Airtel business's common product factory services the large corporate and SME portfolio.

Sri Lanka and Bangladesh are on a growing trend after being integrated into the existing systems. In Sri Lanka, we transformed our position in the market to a *youth brand* and in Bangladesh we moved to the new E-GSM frequencies to improve our network performance and repositioned ourselves as a *contemporary brand*. With 65% network penetration in Bangladesh, we continue to invest in expanding our network reach and brand presence.

Despite phenomenal growth in the telecom sector during the last decade, mobile penetration in rural India stands at less than 40%. To bring technology closer to home for all, Airtel continues to invest in rural areas and hence towards the development of the nation.

Over the last couple of years we have progressed from being a *voice only company* to a *voice and data company* and hence we need to adopt a multi dimensional, yet integrated approach to deliver superior customer experience. The boundaries are disappearing between a Telco, an application provider and a device manufacturer. It is time to emerge as a collaborative player fulfilling the customer needs across dimensions of screens and devices. The next revolution in mobile telephony will emerge from the use of wireless in areas like healthcare, banking, retail and education. Driven by data penetration, especially in the rural areas, mobile phones will increasingly become life enriching tools.

We strive to keep our customers at the centre of all that we do and do our best to engrain this into our value system. As we step into another exciting year, we look forward to crossing new milestones in 2012-13. With this, I would like to express my sincere gratitude to all our employees, shareholders and partners for their unwavering support. I am confident that in our pursuit of **Vision 2015**, we would take our organization to greater heights!

Sanjay Kapoor
CEO (India & South Asia)

{ enriching lives }

Corporate Social Responsibility

At Bharti Airtel, business success is not just about profits and shareholder returns. We believe in pursuing a wider socio-economic objective and have always endeavoured to not just live up to it, but try and exceed the expectations of the communities in which we operate.

With a global presence in 20 markets, spread across two continents, our business units in different geographies have taken great care to promote the cause of social inclusiveness and environment protection alongside their business objectives. Their hard work and devotion to these objectives have endeared the Company to its stakeholders across geographies.

In India, most of Company's welfare initiatives, like the previous years, were routed through Bharti Enterprises' philanthropic arm Bharti Foundation, while in Africa the Company continued to drive its social programme through its own business entities.

Bharti Foundation

Delivering Quality Education

Bharti Foundation is the philanthropic arm of Bharti Enterprises and was set up in the year 2000 "to help underprivileged children and young people realize their potential." Implementing and supporting primary, secondary and higher education initiatives, Bharti Foundation aims to bridge the education divide and help create an equitable and empowered society contributing towards the overall development of the nation.

The Satya Bharti School Program- Setting Benchmarks in Quality Education

The Satya Bharti School Program is the flagship rural education initiative of Bharti Foundation. Launched in 2006, the program is one of the largest end-to-end initiatives in education, undertaken by a corporate in India. Envisioned as temples of learning, radiating knowledge and excellence for underprivileged children, Satya Bharti Schools provide quality education, free of cost to underprivileged children in rural India with a special focus on the girl child.

The program complements the nation's education agenda in a substantive way and aims to find innovative solutions to address ground challenges. It aims to set up 500 primary and 50 senior secondary schools delivering quality education to more than 2,00,000 underprivileged children at full capacity in the rural parts of India.

Currently Bharti Foundation runs 253 Satya Bharti Schools, of which 186 are primary, 62 are elementary and five are senior secondary schools. Of the 62 elementary schools, 50 have been recently upgraded from the primary to elementary level in partnership with Google Inc. The five senior secondary schools are being operated in a Public-Private Partnership mode under the Adarsh Scheme of the Punjab Government.

Key Features of Satya Bharti Schools

- Quality education initiative
- Underprivileged children
- Rural-based
- Free schools - No fees, Mid-day meals, textbooks, notebooks etc.
- Pre-primary to class XII
- Special focus on the girl child
- Vocational education

Bharti Foundation Statistics (As on 30th April'12)

• Total Number of Schools	:	253
– No. of Primary Schools	:	186
– No. of Elementary Schools	:	62
– No. of Senior Secondary Schools	:	5
• Total Number of Students	:	37648
• Total % of Girls Enrolled	:	49%
• % of SC/ST/OBC Children	:	77%
• Total Number of Teachers	:	1334
• % of Female Teachers	:	58%




Developing Leaders of Tomorrow

Focussing on holistic development of children, the Satya Bharti Schools aim to help transform children into educated, confident and responsible citizens of tomorrow with a deep sense of commitment to the communities in which they live. The teaching learning process at the Satya Bharti Schools thus focuses not only on helping children develop academic aptitude but also works at empowering them with knowledge, skills, ethics, values and respect for people and environment. This will enable them to stand up for the right causes and successfully navigate challenges that lie ahead.

Encouraging children to be change agents of tomorrow, community development campaigns form an integral part of the Satya Bharti School curriculum to help students identify and address social issues in their own villages and local communities. Over the years students have addressed issues like empowerment of the girl child, child marriage, empowerment of widows, global warming etc. Our belief is that this focus on holistic development will go a long way in developing children as the leaders of tomorrow, helping them contribute to the overall development of the country.

Satya Bharti School students have also won accolades for such community endeavours at various international platforms such as the Design for Change School Contest in 2011, 2010 and 2009 and Pramerica Spirit of Community Awards in 2012 and 2011.

Partnerships for Change

Working in the rural pockets of the country for over six years, the Satya Bharti School Program has emerged as a credible philanthropic investment opportunity for various corporates and individuals, globally, in the context of their own goals and capabilities. Corporates and individuals have come forward to support the program either through large monetary donations to the corpus or supporting school operational costs for specified periods of time under the school adoption scheme. Donations for specific programs like teacher training, mid-day meals, solar panel installation, or material donations like computers, fans, etc. have also proved to be effective ways of engagement for corporate and individual donors. Some of the partners have also provided technical expertise to the Bharti Foundation team, helping strengthen aspects of the program for better implementation.

Glimpses of Student Campaigns

Campaign Name: 'A March against Desert March' (Plantation Drive in the Desert)

Satya Bharti School, Belwa Ranaji, Rajasthan, located in western Rajasthan amidst sand dunes and barren hills, the village of Belwa Ranaji faced the harmful effects of advancement of sand dunes on their regular living and livelihood. The advance movement not only destroyed fertile land in the area but also made transportation difficult for residents. The students of the Satya Bharti School in the village saw this as an imminent danger facing their community and decided to find solutions to address the problem. Initiated through awareness programs and garnering community support, the campaign helped in mobilizing the entire village to proactively undertake initiatives to arrest the movement of sand dunes through large scale plantation drives. While the impact of the plantation drive is a long drawn process, the student led initiative has created awareness about the impact of the issue and has also compelled the Sarpanch to declare the sand dunes as protected land.

Accolades and Recognitions

Bharti Foundation received several awards during the year for its impact through the Satya Bharti School Program.

a. World Education Award-Best Public Choice Award for Innovative Practices in Education 2011
b. Best NGO for Excellence in Education at Concern 2012 - Consortium for Competence in Education and Research for National Development.
c. Global CSR Awards in the category of Corporate Social Responsibility – Education

Bharti Foundation aims to set up 500 primary and 50 senior secondary schools delivering quality education to more than 2,00,000 underprivileged children at full capacity in the rural parts of India.

Group Companies Support to Bharti Foundation

Bharti Airtel Limited along with other Bharti Group companies support the Satya Bharti School program in a number of ways.

i. Young Leaders Initiative
As a part of the corporate induction schedule at Bharti Airtel Limited, there is a special two week program wherein the new recruits of the Company are sent to volunteer on location at the Satya Bharti Schools as an element of their CSR orientation. In 2011-12, 74 Young Leaders from the Company volunteered for 15 days across 74 Satya Bharti Schools in Punjab and Haryana.

Spending a fortnight actively participating in the operational aspects at the schools, the Young Leaders also spent considerable amount of time engaging with community members as a part of the exercise. With community engagement and participation being an integral focus area of the Satya Bharti School Program, the involvement of the Young Leaders went a long way in reinforcing positive community support towards the program and also establishing the credibility of the schools among parents, community members and opinion leaders of the area. They also spent the fortnight sharing their knowledge and doubled up as mentors to the teachers assisting them in their day to day work and supported them and students on the usage of computers.

ii. Employee Philanthropy Program
ACT – A Caring Touch is an employee philanthropy initiative that provides Bharti Group employees a platform to contribute to any charity of their choice in terms of time, skills, knowledge or money. Under ACT, each monetary donation is matched equally by the respective Group Companies. In financial year 2011-12, of the ₹ 15.85 Mn contribution made towards the Satya Bharti School Program, ₹ 8.8 Mn were contributed by the employees of Bharti Airtel Limited.

iii. Other Ways of Engagement
Apart from monetary contributions, employees of Group Companies actively volunteer on-site at the Satya Bharti Schools, connecting with children and sharing with them their own skills and knowledge. In financial year 2011-12, of the 120 on-site volunteers, 82 employees were from Bharti Airtel Limited. In addition, employees of the West Bengal, Tamil Nadu, Uttar Pradesh, Rajasthan and Delhi Circles extended immense support to the Satya Bharti School Program in their respective areas in various ways.

The Rajasthan Circle launched a Girl Child Campaign in partnership with the Satya Bharti Schools to promote education for girls in rural Rajasthan. Mobile vans were used for a period of one month as a medium, to cover more than 300 villages across Rajasthan on educating the villagers about the importance of girl child education and eradication of child marriage, through puppet show, aptly titled "Guddi". This initiative won the prestigious SILVER award at EEMA's EEMAX 2011 AWARDS at Goa in the "Best CSR / Environmental Initiative" category for the campaign – Airtel Hamari Guddi.

iv. Airtel Delhi Half Marathon
The Airtel Delhi Half Marathon (ADHM) being held every year since 2008 provides Bharti Foundation a great platform to showcase its work in the field of education. It also provides an opportunity to like-minded organizations and individuals to contribute towards this social cause. Apart from Group Companies, various partners of Bharti Airtel Limited, joined the event this year to run in support of the Satya Bharti Schools, generating monetary contributions for the program. The ADHM 2011 saw senior management from Airtel and 30 corporate teams run for the Foundation, raising approximately ₹ 9.4 million towards the program.

The Changemaker Awards

Bharti Airtel Limited was awarded with The Changemaker Awards 2011-12, constituted by the CSR Council of Bharti Enterprises in association with Bharti Foundation that felicitates and acknowledges the efforts made towards corporate social responsibility by the Bharti Group Companies and their employees. Airtel Africa was also awarded with a Special Jury award for their efforts in contributing to the society at large.

Airtel Delhi Half Marathon also provides an opportunity to like-minded organizations and individuals to contribute towards the cause of education for the underprivileged.

Africa Initiatives

Airtel Africa's School Initiative

Airtel Africa has adopted at least one primary school in each of the 17 African countries that it has a presence in. The CSR team has worked to improve the quality of education provided in the rural areas, to underprivileged children, working hand in hand with the governments in these countries. The team has been successful in the projects, having touched the lives of over 11,500 primary school children through the identified 20 schools so far, all of which are in rural areas. The "Our School" adoption program, which has a unifying identity in Africa, provides infrastructure refurbishment, school uniforms, furniture, books, teaching aids and broadband connectivity.

We have partnered with Nokia, in an ICT initiative called NOKIA NED, to provide broadband connectivity to schools in Nigeria, over and above our adopted schools. In this initiative, Nokia Education Delivery uses mobile technology to deliver educational videos to schools in remote, hard-to-reach areas. The videos can be used for any educational purpose, from school lessons to training sessions. So far, 30 schools have benefitted from this initiative implemented in Nigeria.

Airtel Africa and UN Millennium Development Goals

As part of the UN Millennium Development Goals, Airtel has partnered with the Earth Institute, a non-profit organization, to provide connectivity to 8 villages in 6 countries in Africa – Ghana, Kenya, Malawi, Nigeria, Tanzania and Uganda. All these are referred to as"Millennium Villages". Airtel is committed to ensure telecommunications and Internet services to these villages through its network. As part of this initiative, Airtel provides SIM cards to the Community Health Workers and establishes the local emergency numbers (toll free) as needed by each village besides taking care of maintenance of the sites in these villages.

Airtel adopted Millennium Villages

- Bonsaaso - Ghana,
- Sauri and Dertu- Kenya,
- Mwandama- Malawi
- Pampaida and Ikaram- Nigeria,
- Mbola- Tanzania
- Ruhiira- Uganda

Airtel Africa has adopted primary schools in each of the 17 African countries that it has a presence in.

Bharti Airtel provides farmers with vital information on weather, mandi prices, agronomy, horticulture, forestry through its joint venture with IFFCO- IFFCO Kisan Sanchar Limited (IKSL).

Community Initiatives

Besides participation in the volunteering program and contribution in the community initiatives through Bharti Foundation's Satya Bharti Project, employees of Bharti Airtel engage themselves in various community service programs including initiatives on green environment, disaster management and improvement in the standard of living of underprivileged communities. Along with this, they also work on increasing level of awareness amongst the underprivileged on issues of health, safety and environment.

Disaster Relief and Support

In August, 2011, when floods hit Assam bringing life to a standstill, employees of Airtel NESA circle helped the affected people by providing food packets and clothes through their Flood Relief initiative. They covered the West Dhemaji District of Assam, including villages like Naruathan, Ujani Naruathan, Laomuri, Ghuguha Chapari, Kesu Khanda Chapari and Kesu Khanda Kuchgaon.

During September 2011, when Odisha was hit by devastating floods, Team Airtel visited 120 villages and operationalized seven PCOs helping villagers to connect with their relatives in other places. 1,000 packets containing food items and other essentials like candles were also distributed in the area.

Farmer's Welfare

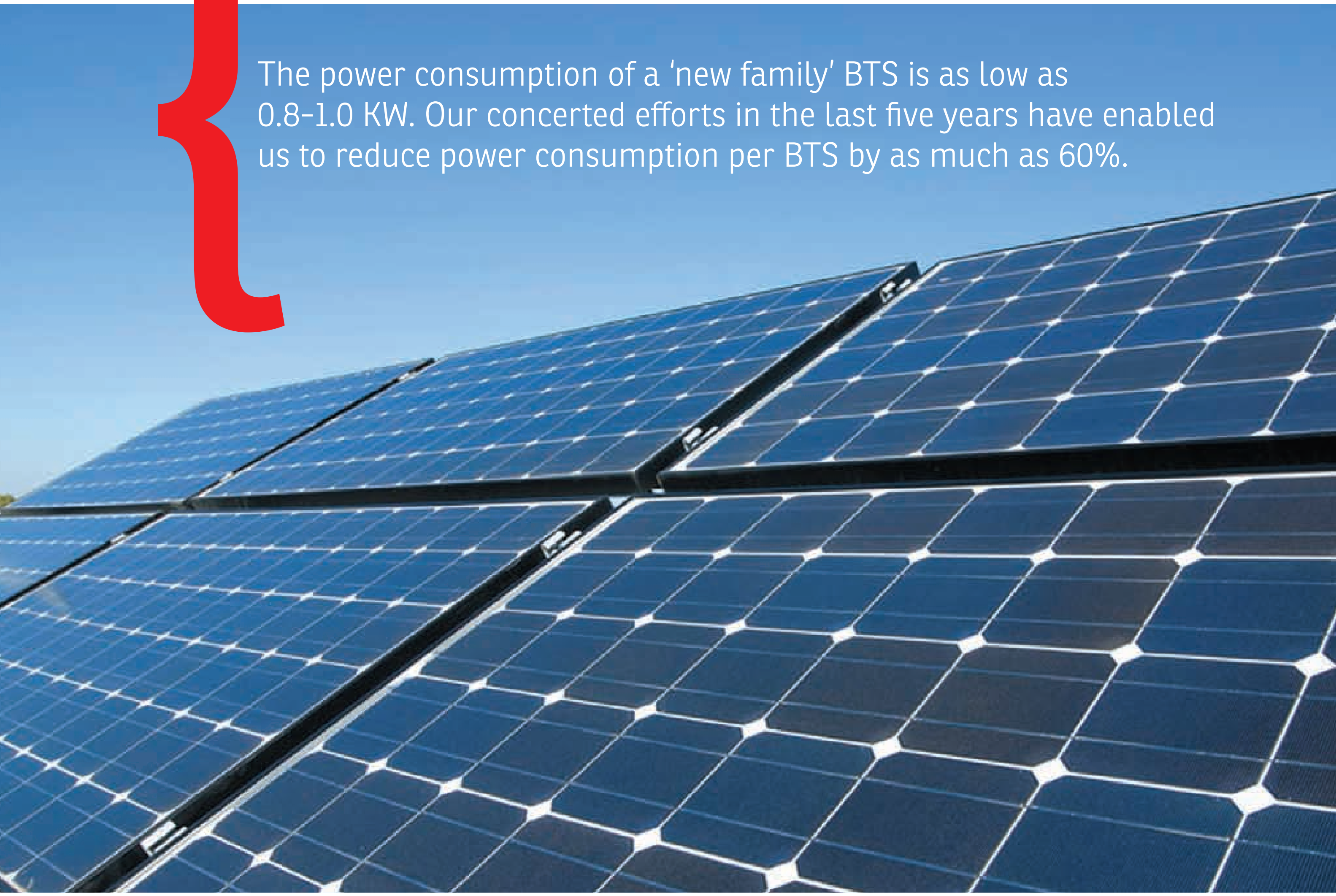
Bharti Airtel takes advantage of its vast presence in India to reach out to farmers. It provides them with vital information on weather, mandi prices, agronomy, horticulture, forestry, government schemes, etc. through its joint venture with IFFCO - IFFCO Kisan Sanchar Limited (IKSL).

We have a strong association with NABARD (National Bank for Agriculture and Rural Development) in many states to drive various programs for farmer welfare. These include providing financial literacy to farmers in Gujarat, enhancing crop productivity in certain districts of Haryana and Odisha and reaching out to farmers in the water shed areas in Karnataka.

Others

"Save Energy" drive and "Earth Hour" saw employees campaigning and contributing to various means of saving electricity by adopting alternate means of commuting, switching off unnecessary lights and non-essential equipment. We also ran several contests to promote awareness on environment issues and safety. Trees were planted and support was harnessed from local communities to safeguard against global warming and deforestation.

During September 2011, when Odisha was hit by devastating floods, Team Airtel visited 120 villages. The team operationalized seven PCOs in villages helping villagers to connect with their relatives in other places.



The power consumption of a 'new family' BTS is as low as 0.8-1.0 KW. Our concerted efforts in the last five years have enabled us to reduce power consumption per BTS by as much as 60%.

Green Energy Initiatives

The challenge for telecom companies today lies in managing their energy requirements at extremely dispersed locations. At Bharti Airtel, we understand that being the market leader it is our responsibility to lead the way for green telecom initiatives. With limited reliable access to grid power supply for the telecom network, we have adopted energy initiatives with a goal of reducing carbon foot print in different markets.

India

Green energy initiatives in India were primarily driven through four major programmes:

A. Energy conservation and efficiency– For energy conservation and efficiency we have taken some major steps:

i. **Network deployment with Outdoor BTS:** Air conditioning at typical base station consumes 35-40% of total power. Base station with outdoor BTS does not require air-conditioning, thus reducing power consumption. We have deployed 67% incremental sites as Outdoor BTS sites in financial year 11-12 and plan to increase it to 75% in financial year 12-13.

ii. **Network deployment with low power consuming BTS:** Our endeavour is to build the network with power efficient electronics. The power consumption of new family of BTS is 0.8-1.0 KW. Our concerted efforts in the last 5 years, has enabled us to reduce power consumption per BTS by 60%.

iii. **Auto TRX shutdown feature at existing sites:** Traffic at our cell sites varies with time. During non peak hours some of the TRX can be switched-off to reduce the power requirement at existing sites. With help from our vendor-partners, we have developed and implemented Auto TRX shut down feature in~60,000 sites across our network. This has helped reduce power consumption in these sites by 10-15% during lean traffic hours.

B. Infrastructure sharing of sites:

Sharing the existing passive infrastructure is another major initiative taken by Bharti Airtel:

i. **Network deployment as sharer:** 68% of the incremental sites in the year 2011-12 were deployed on sharing basis. These sites share the existing power infrastructure with tower companies to reduce carbon footprint.

ii. **Tower consolidation at existing sites:** To optimise energy usage at the cell sites, we have completed the proof of concept of "Tower consolidation" along with other operators in sites provided by Indus Towers. In this project, assets of all operators were consolidated to one tower at the location where Indus had more than one tower in the nearby vicinity. In the year 2011-12, we consolidated 750 such sites.

C. Renewable / Alternate energy

i. **Project "P7" with Bharti Infratel:** With the objective of reducing diesel consumption at our cell sites, Bharti Infratel, subsidiary of Bharti Airtel Limited, pursued a programme known as 'P7'. Under this programme, 1,300 sites in Bihar have completed Solar PV installation. Other technological interventions like DG Optimization and IPMS (Integrated Power Management Solution) were implemented to reduce the diesel footprint at our network sites. Apart from this, we pursued a number of other opportunities such as using bio-diesel in Andhra Pradesh, fuel cells in Haryana and UP, and bio-mass based electricity generation in Bihar and Rajasthan as a pilot project, to reduce diesel dependency.

ii. **Project "Green city" with Indus:** Green City Project aims at "Going DG Free" whereby DG (Diesel Generator) shall not be used as back up source; instead, newer technology solutions shall be deployed to support network operations. Airtel and Indus Towers have developed various solutions which have proved to be technology breakthroughs in promoting green solutions such as Free Cooling Unit, Inverter Solution and High Power Batteries. These solutions when deployed at sites eventually lead to the complete elimination of DG sets at these sites. In FY 11-12 Indus added five major Green Cities viz., Mumbai, Kolkata, Ahmedabad, Chandigarh and Kota and three towns: Patan, Palanpur and Gandhinagar.

D. Managed Energy Services at switching centres

'Managed Energy Services' with Wipro Eco Energy covering all our facilities in Karnataka, Kerala, Tamil Nadu and Andhra Pradesh is currently being implemented. Under this initiative, we monitor the live energy consumption pattern at the facilities to identify and implement energy-saving measures for targeted consumption reduction.

Additionally a number of other initiatives were launched to reduce energy consumption in lighting and air conditioning. A 25 KW Solar PV system was installed at the Airtel Campus in Gurgaon. 100 KW Solar PV system is being planned for Gangaganj MSC in Lucknow. Major energy initiatives taken at our data centres include - cold aisle containment in all the data centres to achieve best PUE results, optimized utilization of chiller by changing chiller temperature set point, changing tube lights to LED / CFL lights to achieve reduction in energy consumption and lift synchronization in all data centres.

Africa

The energy challenges in Africa arise from the extremely diverse conditions that we operate in. Despite these challenges, we are taking definitive steps towards pro-active adoption of green technologies to increase both energy and cost efficiencies. We have reduced the number of telecom sites running entirely on diesel by over 50%; further, the plan is to ensure that by 2013, no site is solely diesel reliant. Today, more than 60% of the sites are being powered by the Hybrid Battery Bank model, which ensures that for at least 14 hours a day, these sites are diesel-free. We have a target to increase this to 70% next year.

Changing Norms of Corporate Social Responsibility

A. Cyber Security

We regularly provide support to government agencies like CERT.in, IB, NTRO, and NATGRID in dealing with specific threat mitigation like botnet threat to ADSL routers, Rustock and Stuxnet propagation etc; proactive threat mitigation to nation-critical services (attack simulation exercises), raising threat alerts (e.g. +92 attacks), analysis of telecom sector for national intelligence (NATGRID research) and Lawful Interception.

We are also actively working with government agencies in Africa to usher in security best practices and cyber security initiatives at a national level.

B. Certifications

BS 25999: We have invested substantially in business continuity and disaster recovery plans across all our geographies. Last year, we embarked upon a BS 25999 audit and certification program covering all B2C circles, B2B hubs, IT and Network Infrastructure across the Company. This was one of the most complex implementations and certification efforts in business continuity globally. We underwent 169 man days of certification audit which resulted in award of 19 certificates without a single non-conformity. Airtel Sri Lanka carried out a recertification audit and successfully retained their BS 25999 certificate. Award of BS 25999 certification has helped benchmark our business continuity and disaster recovery plans with global standards.

ISO 27001: We carried out a major restructuring of our businesses last year. We successfully aligned our ISO 27001 program to these business changes, which were subsequently incorporated at all locations. This shrunk the number of our certifications from 25 certificates to 19. We underwent 180 man days of re-certification audit and committed 100 Hrs of Management time during the entire audit, helping us successfully retain all 19 ISO 27001 certificates covering both our lines of business B2B and B2C. Airtel Sri Lanka carried out a re-certification audit and successfully retained their ISO 27001 certificate. Successful ISO 27001 re-certification reiterates our commitment towards providing our customers with a secure and trustworthy brand and products.

C. Minimal use of paper

At Bharti Airtel, we are very sensitive to the sustainability of our environment and are watchful of the impact of all our activities.

Further to minimize the use of paper, duplex printing (i.e. double-sided printing) is the standard setting for all printers and copiers. Moreover there is an access control on printing machines that restricts the misuse of papers. Also, all printers and copiers are installed with "sleep modes"; wherein after a specified period of inactivity, they reduce their energy consumption by powering down without turning off completely.

All break out areas at Airtel Center use ceramic cups; this has drastically brought down the excessive usage of paper cups. Further hand dryers have been installed at all hand wash stations to reduce the use of paper towels. Airtel has also tied up with an NGO to donate old newspapers for re-use and recycling. Airtel has joined hands with Chintan, an NGO, to help achieve a more progressive approach towards Waste Management.

Enhancing e-bill penetration forms a key part of our efforts towards reducing paper consumption. Today over 2.42 Million e-bills are being sent per month. This has significantly contributed towards our "go-green" drive saving 80,000 trees annually. We have also implemented a 'Secure Print' solution - an automated queue-management based secure printing solution which has led to an annualized saving of nearly 8 tonnes of paper.

D. E-Waste Management

We have expanded the scope of e-waste management by including network / field e-waste. During the year we disposed 226K tons of network e-waste through authorized re-cyclers. We comply with the disposal of e-waste as Airtel Africa has adopted primary schools in each of the 17 African countries that it has a presence in, as per applicable WEEE (Waste Electrical and Electronic Equipment) norms.

E. Healthcare

True to our brand essence of "enriching lives', bouquet of healthcare services offered by Airtel seeks to provide best in class services to its customers through innovative use of the mobile technology. Airtel has yet again been the first operator in the country to enter into the m-health domain and launch innovative products to help millions. Airtel's Mediphone service is a doctor on call service that allows Airtel mobile customers to avail quality health advice through their mobile phones - anytime, from anywhere. Airtel seeks to enrich its customer's lives by driving a change in the consumer outlook towards acute diseases and injuries from curative to preventive. Information on "do-it-yourself at home or first-aid care in times of emergency" is now available to customers through Airtel's alert service.

We have also launched the Ananya initiative to develop, test and scale up innovative solutions to improve the health and development of Bihar's rural families. The services range from maternal care to job advertisements. The focus is to increase knowledge, change attitudes and shape a proactive behavior towards health services.

A healing touch in Ghana

Bharti Airtel has funded the construction of a multi-purpose Clinical Teaching facility and Diagnostic Centre for the School of Medical Sciences, University of Cape Coast, Ghana. The two-storey Diagnostics Centre is going to be equipped with the latest medical facilities and aims to run the most sophisticated diagnostic tests on patients. It is expected to provide the required diagnostic services to people in Central Region of Ghana, and all surrounding communities in the Western region and beyond.

Mediphone service is a doctor on call service that allows Airtel mobile customers to avail quality health advice through their mobile phones - anytime, from anywhere.

Directors' report

Dear Shareholders,

Your Directors have pleasure in presenting the seventeenth annual report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2012.

OVERVIEW

Bharti Airtel is one of the world's leading providers of telecommunication services with presence in 20 countries including India, Sri Lanka, Bangladesh and 17 countries in the African continent. The Company served an aggregate of 251.65 Mn customers as on March 31, 2012 providing mobile, voice and data solutions using 2G, 3G and 4G technologies. In terms of number of wireless customers, the Company is among the top 5 in the world. The Company provides fixed line voice and data solutions to 3.3 Mn customers in 87 cities in India. The Company also offers an integrated suite of telecom solutions to its enterprise customers, in addition to providing long distance connectivity in India, Africa and rest of the world. The Company also offers Digital TV and IPTV Services in India.

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 that owns 42% of Indus Towers Limited. Together, Bharti Infratel and Indus Towers are the largest passive infrastructure service providers in India.

FINANCIAL RESULTS AND RESULTS OF OPERATIONS

In line with the amended statutory guidelines, the Company has adopted IFRS (International Financial Reporting Standards) for consolidation of accounts from the financial year 2010-11 onwards. Consolidated and Standalone financial highlights of the operations of the Company are as follows:

Consolidated Financial Highlights

(₹ Millions)

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross revenue	**714,508**	595,383	20%
EBITDA	**237,123**	200,718	18%
Cash profit from operations	**198,939**	178,905	11%
Earnings before taxation	**65,183**	76,782	-15%
Net profit/(loss)	**42,594**	60,467	-30%

The Company publishes its standalone accounts as per Indian Generally Accepted Accounting Principles.

Standalone Financial Highlights:

(₹ Millions)

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross revenue	**416,038**	380,177	9%
Cash profit from operations	**128,722**	133,374	-3%
Earnings before taxation	**69,562**	87,258	-20%
Net profit/(loss)	**57,300**	77,169	-26%

LIQUIDITY

The Company generates healthy operational cash flows and maintains sufficient cash and financing arrangements to meet its strategic objectives. 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 optimized cost to meet its business requirements and has minimized the amount of funds tied-up in the current assets.

As of March 31, 2012, the Company has cash and cash equivalents of ₹ 20,300 Mn and short term investments of ₹ 18,132 Mn. During the year ended March 31, 2012, the Company generated operating free cash flow of ₹ 101,319 Mn. The net debt - EBITDA ratio as on March 31, 2012 was at 2.56 and the net debt – equity ratio was at 1.29. The net debt in USD terms decreased from USD 13,427 Mn as on March 31, 2011 to USD 12,714 Mn as on March 31, 2012.

The Company manages the short-term liquidity to generate optimum returns by deploying surpluses albeit only in the debt and money market instruments including in high rated liquid and income debt fund schemes, fixed maturity plans, bank fixed deposits 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 liquidity requirements for executing its business plans and meeting with any evolving requirements. The Company also enjoys strong access to capital markets across debt, equity and hybrids.

GENERAL RESERVE

Out of the total profit of ₹ 57,300 Mn on a standalone basis of Bharti Airtel Limited for the financial year ended March 31, 2012, an amount of ₹ 4,300 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 2011-12. The total dividend payout inclusive of ₹ 616 Mn as 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, 2012, the Company has 123 subsidiaries as set out in page no. 225 of the annual report (for abridged annual report please refer page no. 73).

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, statement of profit & loss 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, 2012.

Annual accounts of these subsidiary companies, along with related information are available for inspection at the Company's registered office and the registered office of the respective subsidiary companies. 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. 231 of the annual report (for abridged annual report please refer page no. 77).

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 statement of profit & loss to the shareholders for the financial year 2011-12. Full version of the annual report will be available on Company's website *www.airtel.in* 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 the annual report through email to those shareholders who have registered their email id with their depository participant/Company's registrar & share transfer agent. In case a shareholder wishes to receive a printed copy, he/she may please send a request to the Company, which will send a printed copy of the annual report to the shareholder.

QUALITY

Deeply embedded in Bharti's DNA, operational excellence is pivotal to reinforce competitive advantage through a culture of process enhancements and elimination of non-conformances. Bharti has set a strong culture emphasizing quality based on foundations of constant customer focus, profitability and stability.

The quest for operational excellence is further strengthened by the unique *strategy-to-success* framework, comprising of six inter-related quality initiatives that accelerate process re-engineering through radical process re-design based on customer voice.

All our processes are continually assessed by external consultants leading to Certifications like TL9000, BCP DR (Business Continuity Process & Data Redundancy), ISO 27001, OHSAS (Occupational Health and Safety Advisory Services).

The Company's zest towards operational and business excellence has been recognized through Golden Peacock award for corporate excellence established by the Institute of Directors in 1992 to honour and recognize unique achievements in corporate excellence.

BRANDING

The year 2011-12 was marked by significant achievements on the brand front as *airtel* strengthened its position as a *youth brand*. The Company yet again captured the imagination of the nation with the high impact *Har Friend Zaroori Hai* (HFZ) brand campaign that was launched in August 2011. Apart from positioning *airtel*, the jingle touched the right chord with the customers across demographics and geographies. The brand theme positively impacted the Top of Mind Awareness scores (ToMA) and Brand preference scores. The campaign generated massive online engagement and was later enhanced in January 2012 with 20 new online commercials.

In line with the international brand positioning, Sri Lanka launched an outstanding Sinhala adaptation of *HFZ*, including a flash mob outside Colombo Railway Station. The campaign was also embraced by Bangladesh and built a significant connect with audiences there as well.

The association with Formula One ™ for the *2011 airtel Grand Prix of India* was another first for *airtel*. The *airtel Delhi Half Marathon (ADHM)* 2011 enabled us to further augment our brand position.

Moving towards epitomizing our service superiority, during the year we launched our new service campaigns, signifying our differentiated services – *121#, Instant help 24 x 7 and *My Airtel My Offer* customized offers.

Further at the end of the year, the pan-India launch of *airtel money* with the tag line- *'baat sirf paison ki nahin hai'* – continued airtel's quest to enrich lives of millions.

The various initiatives undertaken this year took brand *airtel* to greater heights and the success is evident from being named *India's most trusted mobile services brand* in the Economic Times Brand Equity 2011 survey. Airtel was also awarded third position in the list of top 100 Indian brands.

In Africa, we have re-positioned the brand *airtel* in line with the global brand strategy, to focus on the youth and to be committed to delivering fresh and exciting products and great customer experience. The first step in bringing this positioning to life has been achieved through the launch of exciting youth campaigns rolled out using local insights. More specifically, in Kenya we have rolled out the *Mi ni 254* campaign, *(I am '254' which is the international dialing code for Kenya)*. In Nigeria, we launched *Club 10*; in DRC, *Lobo Nayo Club 10*, in Burkina Faso, *The Airtel Choco*, in Tanzania *Supa 5* campaign, and in Gabon *Ndoss*. All the campaigns were very youth oriented and delivered an exciting youth proposition, built around a strong CUG (Closed User Group) that offered voice, SMS and data value. The key agenda for these campaigns was to drive brand equity among this core target.

In our drive to be the market leader on data in Africa, Airtel Africa has launched 3G in 8 countries within a 9-month period. Airtel 3G's key communication objective was to own the Mobile Internet experience in the minds and hearts of our customers in Africa. Airtel 3G provides our customers with new ways to communicate, access to information, conduct business, learn, be entertained, live and experience different facets of their lives. We are now delivering a superior internet experience like no other in our markets and have gone a step further and introduced an innovative new product - the data recharge voucher, in Nigeria. This is a first in Africa from Airtel.

Airtel Money is the first m-commerce service in many of our markets in Africa. The communication message was simplified as: Airtel Money: *Simple. Secure. Instant*, and this platform was used in our educational drive to ensure customers understood what Airtel Money can do. In addition to this, we have also supported Airtel Money with a strong emotive campaign promise for the more advanced M-Commerce markets in Africa which was : *with Airtel Money, we can help your money do more.* This message is in line with the transformational impact of this product on the daily lives of our consumers.

In partnership with Manchester United, the Company also successfully completed the launch of Airtel Rising Stars (ARS). This is an expansive grassroots initiative for under 17s and is a tangible demonstration of our commitment to empowering the youth in Africa, by providing them with the platform to showcase their skills. Given Africa's strong support of the English Premier League, Airtel has also partnered with Arsenal Football Club to cater to the fans in Nigeria, Ghana, Rwanda, Zambia and Uganda. This second partnership, in addition to our Africa Rising Stars platform, will ensure that Airtel owns football in the minds and hearts of our consumers in Africa.

MAJOR AGREEMENT AND ALLIANCES

The Company has signed the following key agreements/alliances this year:

- With Nokia Siemens Networks, Huawei and ZTE for TD-LTE (popularly known as 4G) networks in the telecom circles of Maharashtra, Karnataka and Kolkata respectively. This would also enable a seamless data network cover between existing and this new technology.
- With Nokia Siemens Networks, Huawei and Cisco for "Unified Packet Core" in India. This high capacity packet core is access agnostic and caters to 2G, 3G, LTE (4G) customers across the country.
- With Ericsson and Nokia Siemens Networks for the Unified Managed Services contract. This has been awarded to Ericsson in 15 circles and for a part of Bangladesh; and Nokia Siemens Networks in 8 telecom circles. This will ensure seamless operations and maintenance of the mobile networks.
- With Nokia Siemens Network for Mobile Internet Browsing Solution (MIBS) and Multi Media Messaging solutions (MMSC) across all countries in Africa.
- With Alcatel Lucent, Huawei and ZTE for Carrier Ethernet (CEN - Version 2) with capability to handle IP & E1/STM Backhaul in India; with Alcatel Lucent for IP – MPLS core across all countries in Africa
- With HP to launch Cloud Enabled Platform (CLEP).
- Extension of Managed Services contract for CRBT with Comviva and Onmobile to 9 and 7 countries in Africa, respectively. Also, Managed Services contract for VAS nodes with Comviva extended for all countries in Africa.
- With Infosys as the technology partner for m-commerce Platform in India and with Comviva for Africa.
- With Universal Music and *OnMobile* to launch *'My Song My Story'* on Airtel, enabling its customers to listen to live concerts nationally.
- With Voice Tap to launch *"Live Customer Counseling" and "NCERT Solution"* on Airtel enabling students to get career counseling from experts through IVR and access NCERT study material through WAP.

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 footprint expanded to over 1,100 cities in India at end of March 2012 including 7 service areas with ICR arrangements.
- 4G services in Kolkata, based on TD-LTE technology, making India one of the first countries in the world to commercially deploy this cutting-edge technology.

- airtel money (Semi Closed Wallet) launched nationally in February 2012, in over 300 towns across 20,000 retail outlets with an acceptance network across 7,500 merchant establishments.
- CEM (Customer Experience Management), a proactive diagnosis tool that provides a multi-dimensional end-to-end view encompassing network, device, service insights and usage behaviour.
- Prepaid Web launched on a pan India basis wherein customers can now visit *www.airtel.in* to access their account details including online activation, deactivation of value added services & data plans, and to raise and track service requests.
- SmartByte - *'GB on Demand' Service*, where a user gets an option to buy chunks of GBs as per his/her requirement. With this service, any customer whose speed gets throttled beyond FUP (Fair Usage Policy) limit, can buy additional high speed quota on the go and enjoy browsing at a higher speed for a longer time.
- Twitter on USSD, Facebook on USSD, an innovative way of accessing Twitter/Facebook, first time in India, where airtel customers can access their Twitter/Facebook accounts for nominal charges per day even without activating data services.
- Infotainment Portal on *789#, a USSD portal which is a single destination for over 200 types of content across 40 genres.
- MO Sports, an integrated mobile sports entertainment service comprising of WAP, video, voice and MMS on subscription as well as a pay-per-consume basis.
- Comedy FM, first of its kind service innovation that empowers mobile users with the ability to get radio experience on their devices anytime, anywhere, and allows them to choose from variety of comic shows.
- iPhone 4 & iPhone 4S along with bundled data plans.
- EOCN (End of Call Notification) for all our prepaid customers' pan-India. This enables the customer to know the data consumed and balance after every such data usage session.
- Interactive services launched on Digital TV platform including:
  - *a) iExam* - an interactive application focusing on competitive exams, targeting young school/college students
  - *b) iKids* - an interactive channel for kids
  - *c) iKissan* - offering real time access to crop prices, weather information and localized farming advice
  - *d) iDarshan* - enabling customers to enjoy Live Aarti from shrines
  - *e) iDivine & iDD* - mosaic applications designed to save satellite bandwidth wherein the customer sees 4 regional DD and 4 devotional channels respectively in a mosaic format and can further select a channel of his choice basis his language/region preference.
- *Hello Tunes cRBT* launched in 15 *African* countries which allows the Airtel customer to express his/her identity in different ways.
- *Music on Demand (Airtel Radio)* was launched in 4 African countries and it gives the customer the opportunity to listen to any genre of music that they like any time.
- *Mobile Classifieds*, launched in 5 African countries, allows customers to receive several kinds of ads (car sales, job opportunity, etc) on their mobile.
- *Google SMS*, launched in 4 African countries, allow Airtel customers to keep their chats going by sending texts from their Gmail account to any Airtel customer and receive an instant reply for free.
- *Blackberry Crosby Tiers*, launched in 5 African countries, provides a low priced Blackberry service to our customers compared to the traditional BIS and BES services. This already contributes to 38% of our Blackberry customer base.
- *Airtel Credit Services* were launched in 11 African countries. Airtel customers can easily access airtime, in areas where no airtime distributors are available or even after working hours when airtime distributors are closed, on credit and pay for it in the next recharge.
- *Call Completion services*, launched in 10 African countries, allow the Airtel customer to know who called you when you are not reachable via SMS (Missed call Alert) or Voicemail. This service also allows the customer to record a voice message, which is delivered via SMS on the specified day and time.
- *DDS (Dynamic Discount Solution)* allows us to discount customer voice rates to increase usage in selective under-utilized sites.
- Implementation of *Easy Recharge* in 6 African countries which reduces paper voucher costs by providing electronic vouchers and widen the distribution network for airtime across Airtel Africa.

- *Roaming Suite products* were implemented in 14 African countries over the last 8 months. These address cross border roaming issues in-roamer retention and welcome SMSes. Smart Call Assistant gives the roaming customer the opportunity to call by using their current phonebook with numbers that are saved in national format. Short code service allows the customers to use their home call center by dialing the home country customer care number.
- *3G* footprint expanded to 7 African countries, which has increased data usage, grown customer base as well as data revenue.
- *Mobile health tips* were implemented in 5 African countries and allow the customer through daily, weekly and monthly subscription to get general health tips via SMS.
- *Airtel messaging* allows the Airtel Africa customer to access their emails, social networks and chat services independent of the actual mobile device. Already implemented in 11 African countries.
- Airtel Africa has been granted USD 400,000 by GSMA Development Fund for a 2 year *Mobile Farmer* pilot for Kenya. This product will provide weather, crop and advisory services to the farming community. This is an acquisition play product.

OTHER COMPANY DEVELOPMENTS

- Bharti Airtel has expanded its footprint on the African continent by launching its services in Rwanda taking the total count to 17 countries. The Company is now present in 20 countries across the globe.
- The Company re-organized the India operations into the B2C (Business to Consumer) and B2B (Business to Business) entities to leverage inherent synergies across multiple product lines.

AWARDS & RECOGNITIONS

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

- Ranked as the No.1 Service Brand and No.3 in the overall rankings in the annual *Brand Equity's Most Trusted Brands Survey.*
- *Telecom Center of Excellence (TCOE) Award* for Service Provider with customer focus for best delivery of Network Services - for the year 2011. Instituted by Telecom Centres of Excellence (TCOE) in association with the Department of Telecommunications (DoT) and other reputed industry bodies including COAI, AUSPI and FICCI, the award is a prestigious accolade.
- 4 awards at the Telecom Operator Awards 2012 - '*Best National Mobile Operator*', '*Best VAS Provider*', '*Best Enterprise Services Provider*' and '*Best Ad Campaign by an Operator*'.
- Rated as one of the top 5 best employers, by *Aon Hewitt's* Best Employers in India 2011 study.
- SSON Excellence Award under *'Excellence in Culture Creation'* category for Airtel Center of Excellence-Finance, RA, HR and SCM Shared Services.
- Featured amongst the Top 25 Companies globally in a study by Fortune- AON Hewitt - on *'The Best Companies for Leaders'.*
- airtel Digital TV (HD) recognized as '*Product of the year 2012'*, through an independent survey conducted by the research firm, AC Nielsen.
- Voted as India's Best Managed IT Services Brand for Large Enterprises & SMEs by the *PC Quest's annual User's Choice Club Awards 2011.*
- Adjudged as the 'Top Telecom Operator', 'Top Cellular Operator' and 'Top NLD Service Provider' at the *Voice & Data (V&D) 100 Awards 2011.*
- 'Golden Peacock National Quality Award' for the year 2011.
- DSCI *(Data Security Council of India)* Excellence Award 2011 for Security in Telecom.
- Awarded in 'Customer Experience Enhancement' and 'Innovative VAS Product' categories at the *ET Telecom Awards 2011.*
- Adjudged as 'Enterprise Telecom Service Provider of the year', 'Wholesale Data Service Provider of the year' and 'Mobile VAS provider of the year' at the *Frost & Sullivan 2011 Asia Pacific ICT Awards.*
- Adjudged as 'Innovative Broadband Provider' in the *CMAI Awards 2011.*
- Airtel's mobile commerce product, Airtel Money, was adjudged the 'Best Mobile Money Service' in Ghana at the Mobile World Ghana Telecoms Awards.

- At the 23rd Enugu International Trade Fair in Nigeria, the Company received three awards for its outstanding performance at the fair and contribution to the development and growth of the economy of the south east region.
- The Company received The Special Jury Award for Corporate Responsibility which was given for the first time as recognition of the tremendous work done by Airtel Africa in the sphere of education for the under-privileged. This award was received during the "*Annual Changemaker Award 2011*" Ceremony in February 2012 in New-Delhi.
- Airtel's music campaign 'One8' was the first runner-up in the MIDEM International Trade Fair Awards in the category of the most innovative and creative music campaign.

CAPITAL MARKET RATINGS

As at March 31, 2012, Bharti Airtel Limited is rated by 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) with Negative outlook.
- Fitch Ratings maintained its rating at BBB - but moved the outlook to negative. S&P has reaffirmed its rating at BB+ with Stable outlook.

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, 2012.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In accordance with the listing agreement requirements, the Management Discussion & 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, the listing agreement, the Company has voluntarily started a practice of the 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, 2012, 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 programs 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

Ms. Chua Sock Koong, Mr. Craig Edward Ehrlich, Mr. Nikesh Arora, Mr. Rajan Bharti Mittal and Mr. Rakesh Bharti Mittal retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment.

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.

Lord Evan Mervyn Davies has expressed his inability to continue as a director on the Board of the Company from the conclusion of the ensuing annual general meeting. In addition, in line with the Policy of Independent Directors adopted by the Board, H.E. Dr. Salim Ahmed Salim, independent director, has completed his term of office and will step down from the Board from the conclusion of the ensuing annual general meeting. The Board would appoint new directors in their place in due course in compliance with the statutory requirements.

FIXED DEPOSITS

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

AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, retire 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 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 the 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 comments under paras i(a) and i(b) of the annexure to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets in the Fixed Assets Register and reconciliation of the physical verification results, the Company has strengthened its process for periodic updation of the Fixed Assets Register at frequent intervals and a time bound plan has been put in place to complete the pending updation of the physical verification results in the Fixed Assets Register. Further, the financial impact of the physical verification has been given effect to in the books of accounts.

As regards the comment under para xxi of the annexure to the Independent 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 organization, 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. Post April 2010, the Company has started purchasing its equity shares up to the limit approved by the shareholders in the existing Trust and appropriates the same towards the Scheme. Accordingly, under the ESOP Scheme 2005, the Company now acquires shares from the secondary market in the Trust and transfers the same to the respective employees in lieu 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 Employee's 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 are required to be provided in terms of section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 have been set out in Annexure D to this report. In terms of the provisions of section 219(1)(b)(iv) of the Act, the abridged annual report that has been sent to the members of the Company does not contain this annexure.

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, 2012;

II. They have selected and applied consistently and made judgments 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 17 countries in Africa, the Company's bankers and business associates, for the assistance, co-operation and encouragement they 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 Ltd., 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

Date: May 2, 2012
Place: New Delhi

Sunil Bharti Mittal
Chairman and 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, 2012, 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 2, 2012

Annexure B

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF 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 endeavor 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

The Company has a global footprint with services in 26 countries with 13 point of presence (PoPs) and continues to focus on emerging market. The infrastructure establishes a seamless connectivity to Africa, Europe and the 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.

Telecom Services in other countries

Bharti Airtel Lanka (Private) Limited is Sri Lanka's fastest growing wireless service provider. It expanded its footprint by starting commercial operations in the East and North of the country. Airtel at Sri Lanka ended the financial year with 1.6 Mn customers. The Company continues to gain in both incremental customer market share and revenue market share through aggressive marketing and strong distribution network.

Airtel Bangladesh Limited continues to grow with currently over 5.2 Mn customers. The Company has 124 distributors and over 81,000 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. As at March 2012, Airtel Bangladesh Limited reached population coverage of ~65%. During the year, the Company successfully switched its network to the new EGSM frequency band thereby putting an end to the network interference issues experienced in the past.

Airtel Africa continues to grow with the revenue earning customer base for the year at 53.1 Mn; the Company crossed the 50 Mn mark in December 2011. Nigeria, which is the largest market, contributes 28% of the revenue earning customer base while the Francophone and Anglophone regions contribute 31% and 41% respectively. Network rollout continued aggressively with the total number of sites ending at 14,831 at the end of March 2012.

The Company successfully acquired a license in Rwanda and the brand Airtel was officially launched on the March 30, 2012 in Rwanda, making it the 17th country under Airtel Africa.

In terms of retailers, the Company ended with 1.1 Mn retailers across the countries. The zonal structure has been deployed across all countries, with Africa having a total of 106 zones.

We continue to remain focused on our key strategic initiatives of growing non – voice revenues through 3G, SMB, Youth and Airtel Money, driving deeper distribution, best 2G and 3G network quality, focus on platinum cities and customers among others.

The Company continues to gain revenue market share and customer market share across Africa due to its key strategic initiatives and strong distribution network.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earning ₹ 20,122 Mn
(b) Total Foreign Exchange Outgo ₹ 35,232 Mn

Annexure C

INFORMATION REGARDING THE EMPLOYEES STOCK OPTION SCHEMES AS ON MARCH 31, 2012

Sl.No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	25,804,379*	40,467,578**
2)	Pricing Formula	Exercise Price not less than the par value of the 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 5,104,362 @ 5.00 40,000 @ 60.00 25,000 @ 110.50
3)	Options vested	20,063,495	38,779,932
4)	Number of options exercised	4,226,026	29,887,617
5)	Number of shares arising as a result of exercise of option during the financial year 2011-12	Nil	Nil
6)	Number of options lapsed	10,113,352	9,135,450
7)	Money realized by exercise of options	₹ 555,351,837	₹ 387,917,655
8)	Total number of options in force	11,465,001	1,444,511
9)	Options granted to Senior managerial personnel during the financial year 2011-12:		
	• Dr. Jai Menon	2,09,000	75,000
	• Mr. Mario Pereira	Nil	20,000
	• Mr. Bharat Bambawale	Nil	15,000
	• Mr. Harjeet Kohli	1,900	Nil
	• Mr. Jagbir Singh	19,460	45,000
	• Mr. Mukesh Bhavnani	19,380	45,000
	• Mr. S. Balasubramanian	1,400	Nil
	• Mr. Vineet Taneja	13,200	Nil
	• Mrs. Deepa Dey	1,500	Nil
	• Mr. Ravi Kaushal	2,000	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.	N.A.
12)	a) Weighted average exercise price	₹ 224.86	a) ₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5
	b) Weighted average fair price	₹ 180.10	b) NA; NA; NA; ₹ 69.70; ₹ 262.73; ₹ 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) 7.76% p.a. to 8.63% p.a. (The Government Securities curve yields are considered as on valuation date)	
	(ii) expected life	ii) 48 to 60 months	
	(iii) expected volatility	iii) 41.07% to 42.09% (assuming 250 trading days to annualize)	
	(iv) expected dividends	iv) 20% (Dividend yield of 0.28%)	
	(v) market price of the underlying share on grant date	v) ₹ 361.83 to ₹ 424.11 per equity share	

Notes:
* Granted 7,069,827 options out of the options lapsed over a period of time.
** Granted 8,787,578 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.
- No 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, 2012 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	29	Service Management Centre	10,917,327	Fibcom/Project Lead
2	Abhay Johorey	Head - Airtel.com	PGDBM	47	18-Oct-10	24	Business Head	9,881,459	Aviva Asia PTE LTD/Director Operations
3	Abhay Savargaonkar	Sr. Vice President	B.E/B.Tech	47	5-Aug-06	22	Network	8,835,898	Bharti Infotel Ltd/Chief Technology Officer
4	Abhilasha Hans	Chief Service Officer- Shared Services	MBA	47	23-Jan-07	21	Customer Service Delivery	9,754,152	Teletech Services India Limited/Sr. Vice President
5	Ajai Puri	Director - DTH	Post Graduation	51	15-May-04	31	Business Head	18,494,325	Cargill Foods India/Business Head-India Foods
6	Ajay Chitkara	Head - Global Data Business	PGDBM	40	1-May-01	18	Business Head	12,513,331	Comsat Max Limited/Area Sales Manager
7	Alexander Andrew Kelton	President - Enterprise Services	BSc. Electrical Engineering, Chartered Engineer (Eeng) and MIET	53	5-Jul-10	33	Business Head	40,289,975	Telstra International/Managing Director
8	Amrita Gangotra	CIO - India & South Asia	Post Graduation	47	25-Nov-02	22	Information Technology	17,384,555	HCL Comnet Ltd/Chief Information Officer
9	Ananda Mukerji	Group Director - Business Development	PGDBM, B.Tech	52	7-Mar-11	26	Business Development	24,286,603	Firstsource Solutions Limited/Founding Managing Director & CEO
10	Anant Arora	CEO-Market Operations Gujarat	B.E/B.Tech	45	11-Apr-03	22	Business Head	12,117,105	Reliance Infocomm Ltd/Head - Sales Operations
11	Anantharaman R	Sr. Vice President	Post Graduation	45	26-Sep-03	21	Business Head	7,218,625	BPL Mobile Cellular Ltd/Business Head
12	Anjani Rathor	Sr. Vice President	PGDBM	39	10-Dec-07	15	mComm	8,793,567	Delhi Accenture Boeing/Director, Strategy and Business Development
13	Anuj Khungar	Sr. Vice President	Post Graduation	48	28-Feb-05	24	Operations & Deployment	6,678,052	Reliance Infocomm Ltd/Chief Technical Officer
14	Argha Basu	Vice President	Post Graduation	44	25-Feb-08	21	Product Development & Business Solution Group	6,977,067	VSNL/Business Head-Mpls
15	Ashish Arora	Sr. Vice President	MBA	42	3-Apr-07	17	Sales	6,740,815	Sify Ltd/National Sales Head
16	Ashish D Kalay	Chief Informations Officer - B2C	MBA	47	8-Nov-10	22	Information Technology	8,549,089	Colt Telecom/Director/IT Head- India
17	Badal Bagri	Chief Controller - Finance	CA	40	24-Sep-10	12	Finance	11,068,466	Genpact/Sr Vice President and Global Controller
18	Deven Khanna	Director - CMD's Office	B.Com, CA	52	1-Sep-04	22	Finance	32,847,343	Triveni Engineering Industries Ltd./VP-Corp Finance & Planning
19	Dharmender Khajuria	Vice President	MBA	43	21-Nov-01	20	Sales	6,071,145	National Panasonic/Sr. Sales Officer
20	Dhruv Bhagat	Sr. Vice President	PGDBM	42	1-Sep-06	16	Business Head	7,292,018	Hutchison Essar Ltd./Business Head
21	Dipak Roy	Head HR - Mobile Services	MBA	45	19-Jun-06	24	Human Resources	12,687,050	IBM/General Manager
22	Felix Mohan	Sr. Vice President	Post Graduation	56	9-Oct-06	32	Information Technology	8,833,735	Secure Synergy/Director
23	George Fanthome	Sr. Vice President	MBA	45	9-Jul-07	23	Information Technology	6,885,816	Genpact/Vice President
24	George Mathen	Sr. Vice President	Post Graduation	43	17-Nov-06	21	Business Head	7,050,023	Coca Cola India/Head - Sales
25	Girish Mehta	Chief Marketing Officer - Telemedia Services	BE & MBA	42	30-Aug-10	16	Marketing	9,235,344	Dell/Director of Consumer Marketing
26	Harjeet Kohli	Sr. Vice President	MBA	38	19-Jan-09	14	Finance	8,312,698	Citigroup India/Director
27	Heera Lal Gupta	Sr. Vice President	B.E/B.Tech	44	16-Feb-99	23	Operations & Deployment	7,229,205	Koshika Telecom Ltd./Sr.Manager
28	Indeevar Krishna	Sr. Vice President	PGDBM	43	1-Nov-10	18	Customer Service Delivery	6,222,700	CITIBANK/Head - Branch Operations and Service, North
29	Inder Walia	Group Director - Human Resources	PGDBM	54	6-Aug-07	28	Human Resources	31,415,202	Arcelor Mittal/Executive Vice President, HR
30	Jayant Sood	Telemedia Head Customer Service Delivery	CA	47	12-Aug-09	27	Customer Service Delivery	13,400,930	American Express/Business Leader
31	Jyoti Pawar	Director - Legal & Regulatory	Solicitor's Degree, LLB	46	18-Aug-08	20	Legal	17,603,427	GE Money/Senior VP- Legal & Compliance
32	K Srinivas	President - Consumer Business	BE, PGDBM	49	7-Nov-02	24	Business Head	30,024,251	Hindustan Lever Ltd./Business Manager New Ventures
33	Kaushal Modi	Sr. Vice President	Post Graduation	38	12-Jul-10	14	Business Head	7,031,859	Prime Focus Technologies Private Limited/Vice President - Business Development & Sales
34	Kishor Asrani	Sr. Vice President	Graduation	42	15-Feb-05	21	Sales	6,066,030	HCL Infinet Limited/Zonal Head - North & East
35	Krish Shankar	Executive Director - Human Resources	PGDBM	49	23-Mar-07	28	Human Resources	31,083,043	Unilever Asia Africa Singapore (Hindustan Lever Ltd.)/Vice President - HR
36	L Ramakrishna	Sr. Vice President	Post Graduation	47	29-Sep-00	24	Supply Chain Management	6,840,891	Alcatel Business Systems/Sr Manager
37	Lal Bahadur Prasad	Vice President	Post Graduation	45	1-Jul-02	23	Customer Service Delivery	6,124,581	Wipro Infotech/Regional Manager
38	Manoj Kumar GARG	Vice President	MBA	43	17-Aug-09	18	Human Resources	6,185,191	DELL International Services/Site HR Head

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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
39	Manoj Paul	Sr. Vice President	BE & MBA	44	8-Apr-02	21	Business Head	8,176,354	HCL Commet/GM Legal
40	Meenakshi Vajpai	Sr. Vice President	Post Graduation	49	12-Aug-03	23	Information Technology	6,046,823	vCustomer Services India Pvt Ltd/GM
41	Milan Rao	Head Global Voice	BE & MBA	41	1-Apr-03	18	Business Head	8,532,527	JM Morgan Stanley/Head Sales
42	Mohit Beotra	Head - Brand	MBA	44	22-Mar-10	22	Business Head	12,829,912	Lowe Lintas India Limited/Executive Director
43	Munish Kanotra	Sr. Vice President	PGDBM	41	9-Oct-01	16	Marketing	12,141,648	Spice Telecommunications/Sr Manager
44	Murali Kittu	Sr. Vice President	MBA	43	1-Jul-05	20	Business Head	7,015,543	Standard Chartered Bank/National Manager
45	N L Garg	Sr. Vice President	B.E/B.Tech	47	19-Jul-04	25	Supply Chain Management	6,958,287	Escotel Mobile Communications Ltd/Dy Manager
46	N Rajaram	Chief Marketing Officer- Mobile Services	MBA	44	1-Apr-11	20	Marketing	11,668,360	Hindustan Unilever Limited/Vice President
47	Najib Khan	Chief Marketing Officer	BE & MBA	42	3-Jul-01	20	Marketing	10,051,933	Alcatel Business Systems/Technical Manager
48	Narender Gupta	Group Director - Corporate Affairs	B.Com, PGDBM, FCS, LLB	54	1-Feb-99	32	Corporate Secretarial & Regulatory	31,594,679	DLF Cement Ltd./Sr.Manager-Legal to GM-Legal
49	Neil Pollock	Head - Service Operations and Customer Service Delivery Transformation	MBA	46	23-Nov-09	25	Customer Service Delivery	21,331,569	Optus Pty. Ltd./Head of Strategy & Productivity
50	Nilanjan Roy	CFO India & South Asia	CA	46	1-Mar-06	22	Finance	19,865,811	Unilever Nv/Plc, Usa/Finance Director
51	Prasanta Das Sarma	CEO-Market Operations West Bengal	BE & MBA	49	19-Aug-02	27	Business Head	13,277,172	HFCL/Associate Vice President
52	PVV Srinivasa Rao	Sr. Vice President	PGDBM	44	19-Aug-10	21	Business Head	7,109,542	Cambridge Systems Inc/COO
53	R Mahalakshmi	Sr. Vice President	MBA	38	30-Oct-08	15	Human Resources	8,033,228	Ranbaxy Laboratories Ltd/GM-HR (L & D)
54	Raghav Rao	Vice President	MBA	48	1-Apr-05	25	Product Development & Business Solution Group	6,043,334	Comsat Max/General Manager
55	Raghunath Mandava	Operations Director - East Hub	BE & MBA	45	29-Sep-03	22	Business Head	19,653,722	Hindustan Lever Ltd./Operations & Marketing Manager
56	Rajiv Rajgopal	CEO-Consumer Business India Operations	MBA	44	12-Sep-07	21	Business Head	15,124,827	Castrol India Limited/VP Sales - Retail
57	Rajnish Kaul	Sr. Vice President	Graduation	44	28-Jan-03	23	Business Head	12,158,170	Escotel Mobile Communications Ltd/Head Sales
58	Ramamurthy Kolluri	Vice President	Post Graduation	57	3-Nov-00	32	Strategic Architecture & Engineering	6,437,603	Siemens Public Communication Networks Ltd/ VP Information & Broadband
59	Ramesh Menon	CEO-Market Operations Maharashtra	PGDBM	45	26-Oct-09	22	Business Head	10,919,951	Spencers Retail Ltd/Sr VP- Operations
60	Ravi Kaushal	Sr. Vice President	CA	56	17-Apr-95	32	Business Head	6,965,468	TCILL Bellsouth Ltd./General Manager-Finance
61	Ravindra Singh Negi	Sr. Vice President	PGDBM	40	1-Aug-00	17	Business Head	6,971,436	Koshika Telecom Ltd./Product Manager - Prepaid
62	Rohit Gothi	CEO-Market Operations Uttar Pradesh East	MBA	44	17-Apr-09	21	Business Head	12,853,006	Lornamead Acquisitions, London/Country Director, India
63	Rohit Malhotra	CEO-Market Operations, Karnataka	PGDM	44	15-Apr-09	20	Business Head	11,913,286	Pantaloon Retail India Ltd/ Head Operation - South Zone
64	S Asokan	Executive Director - Supply Chain	B.E (Mechanical), AICWA	54	7-Jun-06	27	Supply Chain Management	26,447,671	Eicher Good Earth Limited/General Manager
65	S Balasubramanian	Sr. Vice President	CA	46	8-Aug-05	21	Finance	6,601,972	Coke/General Chief Accountant
66	S K Sharma	Sr. Vice President	B.E/B.Tech	56	9-May-03	33	Operational Excellence	7,932,865	GE Capital/Vice President - Quality
67	S Ravi Kumar	Chief Supply Chain Officer Operations	BE & MBA	51	5-Aug-10	26	Supply Chain Management	9,133,306	Samsonite Singapore Pte Ltd/Vice President - Southeast Asia
68	Samit Guha	Sr. Vice President	CA	42	17-Mar-04	21	Finance	6,433,946	Philips India Limited/Factory Controller
69	Sanjay Kapoor	CEO- Bharti Airtel- India & South Asia	B.Com (Hons), MBA	50	1-Jul-98	28	Business Head	38,835,108	Tele Tech Services India Ltd./President & CEO
70	Sanjeev Bedekar	Sr. Vice President	M.Tech/M.S	47	24-Aug-06	25	Quality	6,842,814	Tata Teleservices Ltd/Vice President
71	Sanjeev Kumar	CEO-Market Operations NCR	CS	47	30-Jan-94	25	Business Head	8,711,885	A F Ferguson/Consultant
72	Sarang Kanade	Sr. Vice President	Post Graduation	41	2-Mar-10	15	Business Head	6,730,710	Spencers Retail Ltd/VP Operation
73	Sarvjit Singh Dhillon	Group CFO	BA.,(Hons) FCIMA, MBA	46	29-Jun-01	24	Finance	23,836,216	British Telecom/ED & CFO
74	Saurabh Goel	Sr. Vice President	Post Graduation	44	27-Jun-03	16	Business Head	9,117,806	Hughes Escorts Comm. Ltd./Team Lead
75	Shamini Ramalingam	Group Director - Internal Assurance	Bachelor of Commerce, University of Melbourne	53	30-Nov-07	30	Corporate Audit Group	22,120,328	Telstra Corporation, Australia/National Manager, Business capability & Solutions
76	Shankar Halder	Chief Technical Officer - ANG	B.E/B.Tech	53	19-Apr-04	29	Network	18,498,862	Escotel Ltd./Chief Technical Officer
77	Sharlin Thayil	CEO-Market Operations AP	PGDBM	50	28-Dec-00	26	Business Head	8,521,762	BILT/Deputy General Manager-South
78	Shashi Arora	CEO-Consumer Business India Operations	BE & MBA	47	1-Feb-06	22	Business Head	15,716,620	Kotak Mahindra Bank/Group Head - Marketing
79	Shishir Kumar	CEO-Market Operations Punjab	PGDBM	48	31-Aug-06	25	Business Head	8,666,216	Beta Healthcare International Ltd/ Chief Operating Officer
80	Srikanth Balachandran	Global Chief Financial Officer	CA, B.Com	51	17-Nov-08	31	Finance	41,063,979	Hindustan Unilever Limited/ Programme Leader – Global Finance

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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
81	Sriraman Jagannathan	Businees Head	BE & MBA	46	4-Jan-10	23	mComm	17,804,422	Citibank/Vice President
82	Sudeep Banerjee	Sr. Vice President	MBA	42	21-Feb-05	20	Human Resources	7,602,212	Aventis/General Manager-HR
83	Sudipto Chowdhury	CEO-Market Operations Rajasthan	Graduation	48	16-Jun-03	26	Business Head	11,781,070	Bharti Hexaom Ltd./Vice President
84	Sukesh Jain	Sr. Vice President	BE & MBA	44	1-Jun-00	20	Marketing	6,553,316	Procall/Sr. Manager
85	Suman Kargupta	Vice President	Diploma	42	23-Mar-09	20	Customer Service Delivery	6,373,373	Tata Teleservices Limited/Head - Business Excellence and Customer Relationship Management
86	Sunil Bharti Mittal	Chairman & Managing Director	Graduate	54	1-Oct-01	26	General Management	250,356,452	Bharti Cellular Ltd./CMD
87	Surendran C	Sr. Vice President	BE & MBA	46	4-Nov-03	24	Business Head	7,452,723	Modi Xerox/Head-Outsourcing
88	Umesh Gupta	Sr. Vice President	PGDSM	44	12-Dec-06	21	Information Technology	7,270,588	Equinox Overseas Private Limited/Chief Information Officer
89	Vijai Prakash Tripathi	Vice President	Post Graduation	49	15-Dec-97	24	Operations & Deployment	6,040,010	Optel Telecom Ltd./Project Lead
90	Vijaya Sampath	Group General Counsel & Co. Secretary	B.A., LLB, FCS	59	1-Jan-04	27	Legal	22,753,924	Ranbaxy Laboratories/VP (Legal & Secretarial)
91	Vikas Singh	CEO - Karnataka, Tamil Nadu	MBA	45	22-Aug-06	22	Business Head	16,515,208	Hutch India/AVP-Sales & Marketing Operations
92	Vineet Taneja	Operations Director - South Hub	BE & MBA	48	17-May-10	24	Business Head	15,293,353	Nokia India/Head of Marketing
(B) Employed For Part Of The Financial Year									
1	A S Pillai	Head-NI Solutions & Professional Services	B.E/B.Tech	45	7-Jul-08	23	Product Development & Business Solution Group	4,509,589	Datacraft India Ltd/Head - Professional Services
2	Alok Goyal	Vice President	M.Tech/M.S	47	30-Nov-08	25	Supply Chain Management	5,261,140	Senergy Global Ltd./Head - Carbon Credits
3	Alok Nigam	Head HR - North Hub	Post Graduation	46	16-Mar-06	24	Human Resources	3,974,791	Intex Technologies ltd/Head Corporate HR
4	Amit Mathur	National ICT & Voice Head	MBA	44	2-Jul-01	23	Sales	5,308,322	Esconet (Escorts Grp Co)/ Regional Operational Head
5	Anil Sharma	Advisor - Group Corporate Affairs	B.A.	59	19-Mar-12	36	Corporate Affairs	331,587	JSW Ispat Steel Limited/Director Corporaye Affairs
6	Anirban Ghosh	Chief Operating Officer - Mobile Services, West Bengal	MBA	43	3-May-04	21	Business Head	5,842,765	Hindustan Lever Ltd./Regional Sales Manager
7	Archana Sasan	Vice President	LLB	48	12-Feb-09	23	Legal	4,531,126	GE Money Financial Services Limited/ VP-Legal&Compliance
8	Arun Kumar Malik	Vice President	PGDBM	58	2-Aug-04	37	Operational Excellence	3,724,516	Escotel Mobile Communications Limited/ General Manager- Quality Management
9	Arun Sawhney	Sr. Vice President	PGDBM	46	7-Oct-09	19	Network	6,540,622	A S Consulting/V P & Head National key Accounts
10	Atul Bindal	President - Mobile Services	BE (Mech), MBA	51	23-Jun-03	26	Business Head	68,709,826	DHL International/Communication Director Asia Pacific
11	Bharat Bambawale	Director - Global Brand	B.Sc.	50	1-Aug-11	28	Brand	9,000,060	J Walter Thompson/Global Business Director
12	Bhavna Puri	General Manager - P2M Operations	Graduation	42	17-Jun-02	22	Customer Service Delivery	4,197,048	Hexacom (India) Ltd./Incharge Customer Care
13	Binod Sriwastav	Vice President	B.E/B.Tech	39	10-Aug-09	15	Product Development & Business Solution Group	2,581,613	Tata Communication Ltd/VP
14	Deepak Khanna	Operations Director - Small & Medium Business	MBA	48	2-Mar-04	27	Business Head	14,542,949	Cybiz Technology Ltd/Director
15	Deepak Mehrotra	Operations Director - West Hub	BE & MBA	48	31-Oct-03	22	Business Head	22,259,890	Hindustan Coco-Cola Beverages (P) Ltd/ Reg. Vice President
16	Dr. Pawan Bakhshi	Vice President	PGDBM	47	1-Aug-01	22	mComm	2,542,698	FreeMarkets/Specialist, Knowledge Management
17	Gayatri Varma	Chief People Officer	MBA	44	9-Aug-10	19	Human Resources	13,575,657	American Express India/VP - HR, India Middle East & Africa
18	Harinder Singh Grewal	Chief Technical Officer - North Hub	Graduation	54	30-Sep-03	27	Supply Chain Management	3,569,434	Spice Communication Limited/Sr.Manager
19	Harpreet Singh	Chief of Operations - RON	MBA	46	15-Apr-04	21	Sales	3,428,322	Integrated Technology Solutions Pvt Ltd./ General Manager
20	Hemant Dadlani	Chief Operating Officer - Telemedia South	MBA	41	13-Jul-95	21	Business Head	5,265,258	Blue Dart Express Ltd./Sales Executive
21	Jagbir Singh	Director - Network Service Group (India & South Asia)	MBA	47	13-Apr-11	25	Technical	16,211,499	Reliance Communications Ltd./CTO

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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
22	Jai Menon	Director - Global Innovation & IT	MS–Mech Engg. & PhD Mech Engg & Computer Sciences	48	4-Apr-11	20	Information Technology	32,510,280	Vodafone Group Services Ltd./ Group Technology Strategy Director
23	Joachim Horn	Executive Director - Network Services Group	Engineering & Computer Science	52	1-Apr-09	28	Technology & Networks	21,699,374	T-Mobile/Group CTO
24	Joaquim Mario Do Carmo Pereira	Group Director - Internal Assurance	ACCA	50	6-Feb-12	27	Corporate Audit Group	1,676,432	Millicom International Cellular S.A./Head of Internal Audit, Compliance & Revenue Assurance
25	Kunwar Kishore Arora	Head-Data Centre & Managed Services	MBA	52	18-Jun-08	27	Product Development & Business Solution Group	7,921,545	UCA Services Inc/Vice President
26	Manik Jhangiani	Group Director - Finance	CPA, Bsc. Accounting & Economics	47	8-May-09	24	Finance	59,641,844	The Coca Cola Hellenic/CFO & Strategy Development Director
27	Manish Bhatt	National Data Head	PGDBM	45	11-Sep-03	26	Business Head	5,281,541	BPL Mobile Ltd/Branch Head
28	Manish Rastogi	Head CS - South & West 2	PGDBM	45	10-Jun-02	22	Customer Service Delivery	5,534,819	BTNL North/Head - Market Communication
29	Manish Trehan	Chief Operating Officer - Mobile Services, Jammu & Kashmir	Graduation	47	26-Aug-02	22	Business Head	2,531,451	Hindustan Times Ltd/Dy Manager
30	Manoj Kohli	CEO (International) & Joint Managing Director	B.Com, LLB, MBA	53	26-Oct-02	32	Business Head	29,547,886	Escotel Mobile Communications Ltd./Executive
31	Manu Sood	Head Distribution	MBA	39	13-Jan-12	11	Business Head	3,682,592	Hindustan Lever Limited/ General Manager - North India
32	Mohan Verma	Head Sales & Marketing	PGDBM	39	27-Sep-06	15	Sales	3,536,888	GE Money/Assistant Vice President
33	Mukesh Bhavnani	Group General Counsel & Co. Secretary	LLB, ACS	57	2-Jun-11	34	Group General Counsel & Company Secretory	14,207,332	Essar Group/Group President - Legal
34	Nagarajan R	Chief Technical Officer	B.E/B.Tech	48	1-Aug-00	29	Network	2,030,759	BPL Cullular Ltd/Head-Network Management
35	Nils Rix	Head - Strategy - Architecture & Engineering	Doctorate (Applied Physics)	49	8-Sep-10	29	Network	15,409,275	Ercisson Inc., North America/VP Networks & VP Strategy & Marketing, CTO
36	Pankaj Koul	Zonal Business Manager	PGDBM	43	4-Dec-95	20	Sales	4,435,432	Aristocrate Marketing Ltd./Sr. Executive
37	Pankaj Miglani	Head - Wholesale Voice	CA	42	21-Dec-01	19	Business Head	3,725,119	GE Capital Transportation Financial Services/ Asst Vice President
38	Pankaj Sootha	Vice President	M.Tech/M.S	43	6-Mar-00	21	Business Head	4,352,701	Glosolar Energy(India) Ltd/Technical Manager
39	Rajesh Kumar Dudeja	Head Customer Service Delivery	B.E/B.Tech	43	10-Feb-98	18	Customer Service Delivery	4,263,912	Modi Xerox/Sr.Service Engineer
40	Raviganesh V	Regional Operations Head -South	MBA	42	19-Jan-09	18	Business Head	7,131,544	Bharti Telemedia Ltd./COO
41	Sachin Deshpande	Circle Chief Technical Officer - Delhi/NCR	B.E/B.Tech	45	12-Mar-02	26	Network	3,891,350	Siemens Public Comm. Ltd./ Sr. Manager - Technical
42	Sandeep Behl	Chief Customer Service Officer - Enterprise Services	B.E/B.Tech	48	16-Jan-07	26	Customer Service Delivery	9,504,848	Hewett Pakward India Ltd./Business Head
43	Sanjay Bhutani	Hub Head B2B	B.E/B.Tech	39	6-Apr-00	17	Sales	5,778,843	FASCEL LTD/Project Manager
44	Sanjay Mittal	Head of VSAT	MBA	46	30-May-06	22	Product Development & Business Solution Group	7,350,229	Ingram Micro India Ltd./Head-Sales
45	Sanjay Sehgal	Vice President	MBA	43	7-Aug-06	19	Marketing	5,128,852	Standard Chartered Bank/National Sales Manager
46	Sanjeeb Kalita	Head - Customer Service Delivery	MBA	42	15-Apr-05	16	Customer Service Delivery	2,644,305	Accenture/Consultant
47	Sanjeev Singh	Sr. Vice President	Post Graduation	46	7-Jul-11	22	Customer Service Delivery	4,569,039	Genpact/Senior Vice President
48	Senjam Raj Sekhar	Vice President	Graduation	40	23-Mar-05	16	Corporate Communications	2,871,435	Samsung India/Head-Corporate Communication
49	Shireesh Mukund Joshi	Director- Marketing	PGDBM	46	19-Jan-09	22	Marketing	25,216,058	Pepsico International - China/Marketing Director
50	Shivan Bhargava	Chief Operating Officer - Mobile Services, Gujarat	BE & MBA	43	10-Oct-03	20	Business Head	8,315,158	Coca Cola India/Regional Logistics & Planning Manager
51	Shrirang N Bijur	Sr. Vice President	MBA	59	12-Feb-07	38	Supply Chain Management	4,127,944	Reliance Capital Ltd./Sr. Vice President
52	Sreedhar Krishna Menon	Principal Financial Officer	MBA	41	1-Jul-02	16	Finance	2,696,182	AFL Private Limited/Manager - Accounts
53	Sushil Grover	Vice President	MBA	47	25-Sep-06	25	Supply Chain Management	3,148,354	QTIL/Head Operations
54	Swarn Bajaj	Chief Marketing Officer (North Hub)	Post Graduation	41	27-Oct-03	18	Marketing	6,116,490	Spice Communication Ltd/GM
55	V Venkatesh	CEO-Market Operations, Karnataka	Diploma	49	18-Jan-02	26	Network	11,315,779	Hll/Marketing Manager
56	Vishal Agrawal	Deputy General Manager - Sales	PGDBM	41	19-Feb-01	19	Sales	4,469,099	Triune Projects Pvt Ltd./Sr.Engineer
58	Zairus Master	Vice President	MBA	40	18-Apr-11	15	Marketing	5,902,642	Nokia India pvt Ltd/Head Solution Marketing

Note:
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 ₹ 60,00,000 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 Directors 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 & Manoj Kohli
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 and Mr. Neil Pollock which is contractual

Management discussion & analysis

ECONOMIC OVERVIEW

As per the World Economic Outlook published by the International Monetary Fund (IMF) in April 2012, the world economy grew by 3.9% in 2011, led by 6.2% growth in emerging and developing economies. Global growth in 2012 has been projected lower at 3.5% mainly on account of the sovereign and banking sector developments in the euro area. Real GDP growth in the emerging and developing economies is projected to slow down to 5.7%, but then to re-accelerate to 6.0% in 2013.

The IMF has projected India's GDP growth to slow down to 6.9% in 2012, due to a cyclical response to higher interest rates and lower external demand. Policy uncertainty and supply bottlenecks are playing a role and these will need to be tackled in the near term to ensure that India's potential growth does not decline.

Sub-Saharan Africa is expected to sustain growth at 5.3%, helped by accommodative policy stances, high commodity prices and reduced exposure to Europe. Nigeria in particular is projected to sustain growth at 7.1% in 2012.

With the maturing of emerging nations, financial power and consumption is increasingly shifting from *the developed* to *the developing – from aging industrial nations to emerging powers in Asia, Africa and Latin America*. 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.

Over a longer term horizon, Africa and developing Asia have been forecasted to be the fastest growing regions with 7.0% and 5.4% annual real GDP growth rates respectively between 2010 and 2050. The economic growth prospects in these geographies clearly compliment the Company's strategy of offering telecom services in 20 countries across South Asia and Africa.

TELECOM SECTOR DEVELOPMENTS

India & South Asia

Financial year 2012 saw the continuance of healthy customer growth for the Indian telecom market which witnessed a 12.4% increase in its customer base during the 12-month period. The total telecom customer base in India stood at 951.3 Mn, second only to China, with a tele-density of 78.7% as at end of March 2012.

While wireline customers continue to de grow, the growth of the telecom sector was driven by the wireless segment. The wireless customer base crossed the 900 Mn mark with 919 Mn customers as at end of March 2012. This segment grew by 13% during the year, contributing to nearly 97% of the total telecom customer base. The telecom rural penetration at 39.2% at end of March 2012 offers huge growth potential in terms of both customers and usage.

The uptake of broadband services has been abysmally low with nearly 13.8 Mn broadband customers as at end of March 2012 representing a broadband penetration of just over 1% offering a huge growth potential.

The Indian telecom industry witnessed the maiden launch of 4G services in Kolkata in April 2012 by *airtel*, based on TD-LTE, making India one of the first few countries in the world to commercially deploy this technology. The country is witnessing growing demand for *data* products & services, with the increasing penetration of edge enabled and 3G devices. The rollout of the wireless broadband using TD-LTE coupled with the expansion of 3G services is likely to provide an impetus to the broadband penetration, which is being increasingly seen as an integral driver of improved socio-economic performance. This will trigger the next phase of growth of the telecom industry. New innovative applications, enhanced user experience and decreasing price of 3G & LTE enabled handsets would be the key drivers of the adoption of data services in India.

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

Africa

The year 2012 continued to experience growth in African telecom market, especially in the 17 countries that the Company operates in. The total customer base grew 20% over the 12-month period, to 53.1 Mn as at end of March 2012.

The competitive intensity in each of the 17 countries varies from 2 to 10 players. Only 8 countries (Nigeria, Zambia, Tanzania, Gabon, Congo B, Ghana, Kenya and Seychelles) have crossed the 50% SIM penetration mark. Further, real penetration is estimated at 32%. The Sub-Saharan Africa region continues to nurture excellent growth potential for telecom.

The next growth frontiers of Africa are innovation through 3G and Data, SMB cloud, content, entertainment, messaging and M-Commerce.

DEVELOPMENTS IN REGULATIONS

India & South Asia

Telecom sector is one of the highly regulated sectors in India. Besides Department of Telecom (DoT), Telecom Regulatory Authority of India (TRAI) is the nodal authority, which regulates telecom services in India. During the previous year, the key regulatory developments were as follows:

- **Recommendations on Telecom Infrastructure Policy**

  TRAI submitted its recommendation on Telecom Infrastructure on April 13, 2011, as per which Telecom infrastructure should be treated as an essential infrastructure and DoT should bring the IP-1 under Unified License.

- **Licence Amendment for Network Security**

  On May 31, 2011, DoT made the License amendment and issued the network security guidelines wherein the telecom operators would be responsible for security of their network. Under the amendment, the service providers will be required to create facilities for monitoring intrusions/attacks/frauds within 12 months and report the same to licensor.

- **Procedure for Activation of VAS Services**

  On July 4, 2011, TRAI released direction on procedure for activation of VAS services mandating telecom operators to obtain third Consent through SMS within 24 hrs from customer before charging the VAS otherwise the VAS has to be deactivated.

- **Telecom Consumer Complaint Redressal & Consumer Protection**

  On January 5, 2012, TRAI released *"The Telecom Consumers Complaint Redressal Regulations, 2012"* by repealing the earlier *"The Telecom Consumers Protection and Redressal of Grievances Regulations, 2007"*. On January 6, 2012, TRAI released *"The Telecom Consumers Protection Regulations, 2012"* as per which the vouchers offered by the telecom service providers have been simplified and standardized into 3 categories - Plan Voucher, Top-Up Voucher and Special Tariff Voucher (STV). It also mandates the telecom service provider to inform the prepaid consumer through SMS or USSD, about the deduction from his account – after every call made or after every data usage session.

- **Green Telecom**

  DoT in January 2012 has accepted some recommendations of TRAI on *'Green Telecom'* dated April 12, 2011. These recommendations specify targets for minimum percentage of rural and urban towers to be powered by hybrid power (Renewable Energy Technologies (RET) + Grid power) by year 2015 and 2020. It also includes self declaration of the carbon footprint by the service providers of their network operations along with carbon emission reduction targets. These recommendations also require service providers to formulate a 'Carbon Credit Policy' in line with carbon credit norms.

- **Spectrum Management & Licensing Framework**

  On February 15, 2012, DoT announced the Spectrum Management & Licensing Framework, as per which, all future licenses will be Unified Licenses and allocation of spectrum will be delinked from the license. Uniform license fees @ 8% for all telecom licenses and service areas will be made applicable in two yearly steps starting from 2012-13. It also allows for merger up to 35% market share of the resultant entity with requirement of TRAI recommendations for mergers beyond 35% market share, without breaching of 25% cap on GSM spectrum/10 MHz for CDMA spectrum holding.

- **Recommendations on "Unified Licensing'**

  On April 16, 2012, TRAI released its recommendations on guidelines to Unified license suggesting a onetime non-refundable Entry Fee for Unified Licence. It also suggests including IP-1 under Unified Licence.

- **Recommendations on 'Auction of Spectrum'**

  On April 23, 2012, TRAI submitted its recommendation on auction of spectrum specifying the reserve price for various spectrum bands along with suggestion on the auction process, spectrum re-farming and spectrum usage charge amongst others.

  The Company along with other telecom players have made various representations to the Ministry and the DoT highlighting the adverse impact of these recommendations, particularly with reference to spectrum re-farming and the reserve prices, on the consumers, telecom industry and the nation as a whole. These recommendations, if accepted, will have a direct bearing of the profitability of the Indian Telecom industry by way of increased opex and capex.

Africa

- **3G Licences**

  The Company has successfully obtained a 3G licence in Burkina Faso; With this, the Company has 3G licences in 12 Countries. In DRC, the licence fee has been set and the Company is representing for the finalization of the terms and conditions of the licence. The Company is making efforts to obtain 3G licences in the remaining 5 countries of operation.

- **LTE**

  In Kenya the Government called for submissions of interest in the proposed future LTE license consortium. The Company has submitted its proposal and awaits further response from the Government.

- **Revision in Interconnect Rates (IUC)**

  During the year, the Company saw some developments with regards to interconnect rates as follows:

  - Nigeria: the regulator has initiated a review of Interconnect Rates and issued a notice to the industry with a request to operators to provide submissions on their views on the matter. The Company has made its submissions to the regulator.
  - Uganda: following the study carried out by PWC, UK, the regulator announced the new reference interconnect rate effective from May 1, 2012.
  - Gabon: the regulator has directed interconnect tariffs for 2012 introducing an asymmetric tariff structure which negatively impacts a market leader such as Airtel. The Company is representing for this to be reconsidered.

- **Quality of Service (QoS)**

  The regulators across Africa are increasingly becoming stringent on the quality of service parameters. Most notable has been the pressure from regulators in the countries of Nigeria, Gabon, Burkina Faso and Chad. The Company has rolled out stringent QoS checklist across all countries to address this.

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 tele-density still at under 40%, there is significant growth potential for the sector. Urban areas present potential by way of consumption led growth of the voice and data services while rural areas offers opportunity by way of volume led growth in voice and data space.

Similarly in Africa, there is huge opportunity yet to be leveraged as most of our countries of operations still have low telecom penetration levels. The Company aims to fully exploit this opportunity and drive deeper penetration, especially in the rural areas. Deeper distribution, low denominations recharge vouchers and ultra-low cost handsets are some of the initiatives being taken by the Company to address it.

New Technologies and Paradigms

With the launch of 3G and 4G services, the telecom sector is poised to take a giant leap in life enriching services delivered through better technology and service delivery. Further new technologies will extend the reach of telecommunication services and will offer new platforms for development of new businesses. A larger share of rural customers will experience internet for the first time due to internet access through mobile phones, heralding a new era in India's internet revolution.

Powered by higher browsing speeds through technologies such as 3G and 4G, the Value Added Services (VAS) continues to be an area of growth. New services such as music download, 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. With the backdrop of these changes, it is expected that VAS other than SMS would become a dominant contributor to *non voice* revenues. The Company is focused on leveraging the data growth potential by way of enhancing data adoption and consumption along with building data capabilities.

The Indian subcontinent and Africa both have a very high proportion of unbanked population, thus providing mobile platform a big opening to drive financial inclusion agenda leveraging the convenience and cost benefits for conducting financial transactions through mobile devices. The Company is leveraging this opportunity through expansion of *airtel money*. It has entered into a partnership with *Axis Bank* for extending banking and payment services to India's unbanked millions through the ubiquitous mobile platform. In Africa, *airtel money* has already been launched in 8 countries namely Zambia, Tanzania, Ghana, Malawi, Kenya, Uganda, DRC and Gabon. The Company plans to expand this service in the remaining countries of its operations in Africa this year.

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. Also 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 growth of the 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.

Strong Strategic Partnerships

Forming enduring partnerships of strategic importance successfully is an intrinsic part of Bharti Airtel's DNA. The Company's strategic alliance with SingTel has enabled it to continuously enhance and expand its telecommunication network in India.

The Company had outsourced the key areas of IT & Network to its strategic partners. IBM is the strategic partner for all business and enterprise IT systems. On the network side, Ericsson, Nokia Siemens, Huawei and Alcatel Lucent are its strategic partners.

To roll out 4G, the Company has tied up with ZTE, Nokia Siemens Network and Huawei for design and implementation. Ericsson, Nokia Siemens Networks and Huawei are building network to deploy 3G Services in India.

The Company has appointed Infosys as its technology partner for the launch of *airtel money*. Partners like Juniper, ECI, Tellabs, and Wipro provide various equipments for telemedia and long distance services to the Company. IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis, HGSL are associated as call centre partners and provide superlative experience to Company's customers.

In addition, the Company works with several globally renowned organizations like OnMobile, Comviva, Yahoo and Google among others to better its customers' VAS experience with caller ring back tones, music on demand, e-mail services and other *airtel live* applications etc.

These strategic partners have been an integral part of Bharti Airtel's achievements over the years.

Threats

Regulatory & Economic Environment

Financial year 2011-12 experienced uncertain regulatory environment with 2G license allotment taking center stage as a political agenda in India. The new recommendations on spectrum pricing and auction and licenses have been shared by TRAI this year. These recommendations if accepted by the Department of Telecommunications will have a significant negative bearing on the long term growth prospects of the telecom industry along with a setback to government's social inclusion agenda by way of the national broadband plan. The industry looks forward to reasonable spectrum reserve pricing policy from the authorities in the light of the government's own articulated policy directions on affordability and rural penetration.

In Africa also, there is growing consensus amongst the governments and the regulator for laying stringent norms and requirements for coverage and quality of service along with increasing taxes and levies on the telecom industry.

Moreover, growing inflation and currency devaluation is increasingly becoming a key threat to business profitability in Africa. The Company is proactively managing this threat through close monitoring of the exchange and inflation rates and taking appropriate hedging actions.

Hyper Competition

The competitive dynamics in the wireless segment of the Indian telecom market continues to remain intense by way of aggressive trade participation by all new and existing telecom players leading to growing *use and throw* phenomenon in the market space. The increased competition is also witnessed in direct to home and enterprise services businesses, 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 *airtel* brand is best positioned to emerge stronger from the market environment and will retain its leadership position in the market.

In Africa also, increased aggression from the existing players poses a challenge and the Company in turn is countering this risk through its innovative products and superior services.

REVIEW OF OPERATIONS

Bharti Airtel put up a healthy performance in the financial year 2011-12. The Company expanded its operations to 20 countries across the globe with the launch of mobile services in Rwanda in Africa.

As on March 31, 2012, the Company had an aggregate of 251.6 Mn customers consisting of 241.1 Mn Mobile, 3.3 Mn Telemedia and 7.2 Mn Digital TV customers. Its total customer base as on March 31, 2012 increased by 14% compared to the customer base as on March 31, 2011.

During the full year ended March 31, 2012, the Company recorded revenues of ₹ 714,508 Mn, a growth of 20% compared to the previous financial year 2010-11. The Company had an EBITDA of ₹ 237,123 Mn witnessing a growth of 18% year on year. The EBITDA margin for the financial year ended March 31, 2012 was 33.2%.

The Company reported a net income of ₹ 42,594 Mn for the full year ended March 31, 2012, with a Y-o-Y decline of 30% due to increase in net interest outgo (₹ 16,373 Mn), increase in amortization of the India 3G spectrum cost (₹ 5,925 Mn) and tax provisions (₹ 4,812 Mn).

FINANCIAL PERFORMANCE

(₹ Millions except ratios)

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross revenue	**714,508**	595,383	20%
EBITDA	**237,123**	200,718	18%
Earnings before taxation	**65,183**	76,782	-15%
Net income	**42,594**	60,467	-30%
Gross assets	**1,696,779**	1,503,473	13%
Capital expenditure	**143,978**	306,948	-53%
Capital productivity	**42.1%**	39.6%	2.5%

KEY ACCOUNTING CHANGES

Consequent to notification of the revised Schedule VI to the Companies Act, 1956, the standalone financial statements of the Company for the year ended March 31, 2012 have been prepared and presented in accordance with the revised Schedule VI. This does not have any impact on the recognition and measurement principles followed for the preparation of the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Accordingly, the previous year figures have also been reclassified.

During the year, the Company has made changes to segment reporting keeping in the view need of enhanced disclosure of certain business and alignment with internal reporting. Consequently, the following changes have been made in segment reporting with previous year figures having been reclassified. The revised reporting segments are as mentioned below:

Mobile Services India and South Asia (SA): These services cover voice and data telecom services provided through GSM technology in the geographies of India and South Asia (SA). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Mobile Services Africa: These services cover provision of voice and data telecom services offered to retail customers in the Africa Continent. This also includes corporate headquarter costs of the Company's Africa operations which were earlier reported as part of 'Others' segment.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

Digital TV Services (formerly known as 'DTH Services'): Since the start of commercial operations in October 2008, 'Direct-to-home' DTH business has been making significant inroads into the overall business performance of the Company. Accordingly, the Company has decided to report its performance as a separate segment, earlier reported as part of 'Others' segment. This includes digital broadcasting services provided under the Direct-to-home platform.

Airtel Business (formerly known as 'Enterprise Services'): These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Passive Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers.

Others: These comprise administrative and support services provided to other segments.

SEGMENT - WISE PERFORMANCE

A. India & South Asia

During the year gone by, the Company restructured the organization creating two distinct Customer Business Units (CBU) with clear focus on the B2C (Business to Customer) and B2B (Business to Business) segments. The B2C organization consists of *Consumer Business* and *Market Operations*, comprehensively servicing the retail consumers, homes and small offices by combining the erstwhile business units - *Mobile*, *Telemedia* and *Digital TV*. The *Consumer Business* group leads the overall B2C strategy and owns the product and services P&L, focusing on customer experience, product and service innovation. The *Market Operations* group leads the *'go-to-market'* strategy and is responsible for the geography P&L. The B2B business unit focuses on serving large corporates and carriers through Bharti Airtel's wide portfolio of telecommunication solutions in India & overseas.

A.1 B2C Services

The Company offers mobile services using GSM technology in South East Asia across India, Sri Lanka and Bangladesh, serving over 188 Mn customers in these geographies as at end of March 31, 2012

A.1.1 Mobile Services

A1.1.1 India

In India, the Company had 181.3 Mn mobile customers as on March 31, 2012, which makes it the largest wireless operator in India both in terms of customers and revenues. The Company offers post-paid, pre-paid, roaming, internet, m-commerce and other value added services through our extensive sales and distribution network covering over 1.5 Mn outlets. It has its network presence in 5,118 census towns and 454,302 non-census towns and villages in India covering approximately 86.4% of the country's population.

Driven by the need for continued financial sustenance of the Industry, the Company took a pioneering step to raise the tariffs on both *'per min'* and *'per sec'* plans; from 50 p/min to 60 p/min and from 1 p/sec to 1.2 p/sec respectively for local and STD calls to mobile and from 60 p/min to 90 p/min and from 1.2 p/sec to 1.5 p/sec for calls to landline; putting an end to an era of declining tariffs since the inception of the wireless industry in 1995.

The Company expanded its 3G services to over 1,100 towns covering all 20 service areas in India (excluding Punjab & Odisha) including intra circle roaming arrangements with other mobile operators. The Company offers a host of innovative services within the 3G portfolio to our customers like Mobile TV entertainment, video calls, live streaming of videos, high definition gaming along with access to high speed internet. The Company had over 35 Mn mobile internet users as at end of March 31, 2012.

There is concerted focus by the Company on enhancing the *data adoption* by engaging customers on mobile internet through low priced 2G plans and then encouraging them to switch to high speed 3G *data* services. To bridge the *data* price differential between the 3G *Packs* rate and the *Volume Based Charging* (VBC), the Company lowered the VBC rates in a tiered structure and introduced *Bill Shield* on all postpaid plans. The Company is also expanding its device partnership for both 2G and 3G data services.

The Company recently launched 4G services in Kolkata, followed by Bengaluru, based on TD-LTE technology, offering a wide range of services to our customers including rich content, superfast access to High Definition (HD) video streaming, multiple chatting and instant uploading of photos.

A1.1.2 Sri Lanka

Airtel Sri Lanka had 1.6 Mn customers at end of Financial year 2012 with presence in all 25 administrative districts of Sri Lanka. The Company offers 3.5G services in major towns and has created a nationwide distribution network comprising of over 46,000 retailers.

A1.1.3 Bangladesh

Airtel Bangladesh had 5.2 Mn customers as at end of Financial year 2012 with presence across 64 districts of Bangladesh with a distribution network of over 81,000 retailers across the country. The burgeoning economy of Bangladesh coupled with growing population coverage of nearly 65% and a strong youth base presents a unique market opportunity for telecom services in the Country.

During the year gone by, the Company successfully switched its network to the new E-GSM frequency band (from 880-885 Mhz band to 885- 890 Mhz band) thereby addressing the interference issues being faced in the past. With the improved network quality, growing network coverage and brand preference, the Company is witnessing growing uptake of its mobile services.

Revenues from Mobile Services – India & South Asia for the financial year ended March 31, 2012 were ₹ 403,091 Mn and represented a year on year growth of 11%. The growth in revenues was driven by the growing minutes consumption supported with the increase in the base line tariffs despite stiff competition. Growing operating expenses on account of increase in network expenses and selling & distribution expenses along with the amortization of 3G spectrum cost resulted in the decline in EBIT on a Y-o-Y basis.

Key financial results for the year ended March 31, 2012

Particulars	**Financial Year**		**Y-o-Y Growth**
	2011-12	2010-11	
Customers (Mn)	**188.0**	167.7	12%
Gross revenues (₹ Mn)	**403,091**	363,400	11%
EBIT (₹ Mn)	**82,244**	85,551	-4%

A.1.2 Telemedia Services

The Company provides broadband (DSL), data and telephone services (fixed line) in 87 cities with growing focus on various data solutions (Internet Lease Lines and MPLS) for the Small & Medium Business (SMB) segment. It had 3.3 Mn customers as at March 31, 2012 of which 1.4 Mn subscribed to its broadband/internet services.

The Company ended the year with non-voice revenues contributing over 50% of the total revenues. During the fiscal 2011-12, the Company launched *online sales* as a channel for DSL acquisition and has also doubled the speeds to a minimum speed of 2 Mbps for all its customers in the top 14 cities and to 1 Mbps in the balance cities with an objective of enhancing customer experience.

Revenues from Telemedia Services – India & South Asia for the financial year ended March 31, 2012 were ₹ 37,271 Mn and represented a year on year growth of 3%. During the year gone by, the Company migrated to an integrated business support stack – Fx (Single window interface for accessing end-to-end customer information) system. There had been few initial adoption challenges that impacted customer acquisition and bad debts leading to moderated growth in revenues and drop in EBIT.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	**3.3**	3.3	-1%
Gross Revenues (₹ Mn)	**37,271**	36,324	3%
EBIT (₹ Mn)	**7,149**	8,334	-14%

A.1.3 Digital TV Services

The Company served a customer base of 7.2 Mn on its Direct-To-Home (DTH) platform at end of March 31, 2012 adding 1.6 Mn customers during the year, despite stiff competition and aggressive pricing pressure.

The Company also offers High Definition (HD) Set Top Boxes and Digital TV Recorders with 3D capabilities delivering superior customer experience. The Company currently offers a total of 310 channels including 14 HD channels and 7 interactive services. Airtel is the first company in India that provides real integration of all the three screens viz. TV, Mobile and Computers enabling our customers' record their favorite TV programs through mobile and web. The Company continues to expand the distribution, going beyond 9,000 towns and deep into rural India.

During the year, the Company moved from a 2-day grace period to a 0 grace concept primarily to keep a check on suspension. Additionally, with an objective to address the issue of rotational churn and the corresponding cash loss due to subsidized set top boxes, the Company reduced Free Preview Period. While this initiative impacted the gross additions for the industry per say, it enabled the Company to stabilize churn over the last 3 quarters in financial year 2012.

Revenues from Digital TV services for the financial year ended March 31, 2012 were ₹ 12,960 Mn and represented a year on year growth of 67%. This was the first full year of positive EBITDA for Digital TV services. The growing customer base and increase in churn has resulted in the increase in EBIT losses from ₹ 5,181 Mn in Financial year 2011 to ₹ 7,198 Mn in Financial year 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	**7.2**	5.7	28%
Gross Revenues (₹ Mn)	**12,960**	7,760	67%
EBIT (₹ Mn)	**(7,198)**	(5,181)	-39%

A.2 B2B Services

Airtel Enterprise Services recently changed its identity to *airtel business*. airtel business offers wide portfolio of services that include voice, data, network integration, data center & managed services, enterprise mobile applications and digital media. Airtel business is India's leading and most trusted provider of communication and ICT services to large Enterprise, Government, Small & Medium businesses and carrier customers.

Airtel business offers network infrastructure, integration & management with a combination of cutting edge global network infrastructure, technical skills and world-class services through a consultative approach. The Company's portfolio of MPLS and IP services helps its customers in keeping mission critical applications running and in managing the flow of information across the globe. The Company's data center and managed services include entire suite of managed hosting, storage, business continuity, data security & cloud services. Airtel business also offers digital media services, a centralized online media management and distribution platform akin to a media exchange linking all the content owners, production facilities and screens enabling them to store, forward, share & trade multi versions of produced content to multiple platforms across the globe.

The Company's global services for both voice and data, with strategically located submarine cable systems across the world and satellite connectivity in hard to reach areas, provide its customers connectivity from anywhere to everywhere in the world. airtel businesses 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 & Western Europe (IMEWE), Unity, EIG (Europe India Gateway) and East Africa Submarine System (EASSy) expanding its global network to over 225,000 Rkms, covering 50 countries across 5 Continents. The Company also has terrestrial express connectivity to neighboring countries including Nepal, Pakistan, Bhutan and China.

Airtel business witnessed an 11% growth in the international voice traffic to 13.7 billion minutes in Financial year 2012 mainly contributed by ILD incoming and Transit minutes. During the year gone by, airtel business started its first ever SCCP (Signaling Connection Control Protocol) traffic services with an international carrier (Bhutan Telecom).

Revenues from Enterprise Services for the financial year ended March 31, 2012 were ₹ 44,541 Mn and represented a year on year growth of 7% on account of increased data revenue from new accounts and geographies. Growing competition and realization pressure in the corporate voice and data segments coupled with timing gap in collection of account receivables towards the end of the financial year resulted in the decline in EBIT from ₹ 5,546 Mn in FY11 to ₹ 2,629 Mn in Financial year 2012 .

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross Revenues (₹ Mn)	**44,541**	41,463	7%
EBIT (₹ Mn)	**2,629**	5,546	-53%

A.3 Passive Infrastructure Services

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on 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 15 circles (4 circles common with Infratel, 11 circles on exclusive basis).

Bharti Infratel had 33,326 towers in 11 circles as at end of March 31, 2012, excluding the 35,252 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 109,114 towers including the towers under right of use.

Revenues for Passive Infrastructure for the Financial Year ended March 31, 2012 were ₹ 95,109 Mn and represented a year on year growth of 11% supported with increase in number of towers and growing tenancies. EBIT grew by 25% year on year to ₹ 14,641 Mn for the year ended March 31, 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Gross Revenues (₹ Mn)	95,109	85,555	11%
EBIT (₹ Mn)	14,641	11,688	25%

B. Africa

In 2010-11, the Company took over operations in 16 countries in Africa: Nigeria, Burkina Faso, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Ghana, Kenya, Malawi, Seychelles, Sierra Leone, Tanzania, Uganda and Zambia. In 2011-12, the Company expanded its footprint through a greenfield launch in Rwanda. With operations in 17 countries, the *airtel* brand has already become a household name in Sub-Saharan Africa. As at March 31, 2012, our subscriber base in Africa had grown to 53.1 Mn, making Airtel the second largest amongst all telecom operators in Africa.

Airtel offers its African customers a wide variety of services such as mobile telephony, mobile Internet, roaming, international calling and a suite of value added services including 'airtel money'. The Company offers 3G services in 7 countries : Nigeria, Zambia, Ghana, Kenya, Tanzania, Sierra Leone and Congo B. The Company offers 'airtel money' services in 8 countries: Zambia, Malawi, Kenya, Uganda, Tanzania, DRC, Gabon and Niger.

This was the first full year of the Company's operations in Africa. The Company replicated its proven business model deriving synergies through scale and speed of roll outs. The Company's strategic partners have established and stabilised supplies and services in the areas of network equipment, managed services, maintenance, information technology and call centres. These have enabled consistently high level of customer service, speedy innovation roll outs, etc. Overall network and brand experience across the African continent has seen a quantum improvement.

Revenues from Mobile Services – Africa for the financial year ended March 31, 2012 were ₹ 198,265 Mn representing a strong year on year growth of 52%. With its increased distribution reach and network expansion, the company added 8.9 Mn subscribers during the year. The growth of 20% in the customer base has translated into higher consumption of minutes on the network, thereby driving the robust growth in the revenues. EBIT grew by 494% year on year to ₹ 14,147 Mn for the year ended March 31, 2012.

Key financial results for the year ended March 31, 2012

Particulars	Financial Year		Y-o-Y Growth
	2011-12	2010-11	
Customers (Mn)	53.1	44.2	20%
Gross Revenues (₹ Mn)	198,265	130,834	52%
EBIT (₹ Mn)	14,147	2,381	494%

RISKS & 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 across the group and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:-

- **Changes in regulatory environment**

  The regulatory environment in India continues to be challenging. Recent regulatory developments will have significant implications on the future of telephony and broadband as well as India's global competitiveness. The entire industry looks to the Government for a fair, transparent and sustainable telecom regime. Amidst this uncertain regulatory environment, the positive feature is that larger players continue to enjoy majority of market share. The regulatory authorities keep consumer interest at the heart of the policy. Private players have driven the telecom growth in the country and Bharti Airtel has led from the front. In the process, the Company has created a large pool of loyal customers and talented human resource capital, in addition to developing a vibrant brand.

In Africa, the regulatory environment in which the Company operates varies from country to country and is at different stages of development. To ensure that the business risks associated with changes in regulations are well managed, the Company has adopted a consultative approach to engage the various regulators on the proposed key developments in each country. In addition, comprehensive self-assessments are carried out in all countries to ensure compliance with regulatory requirements.

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

  The Company's operations and assets are spread across wide geographies, including dense urban areas as well as vast rural terrains. The Company's telecom networks are subject to risks of technical failures or natural disasters. 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, though 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 offer seamless service to our customers under most circumstances. This is of particular significance to Africa especially where the Company is enhancing its network coverage and capacity as part of its growth plans. The Company is currently focusing on eliminating systemic congestion in the network and reducing technical failures as well as embedding redundancies.

- **Currency and interest rate fluctuations**

  The Company's operations are spread across 20 countries and are subject to the risks of fluctuations in currency rates. The Company has also borrowed in foreign currencies which have the inherent risk of currency fluctuations. Most of the borrowings carry variable interest rates which also exposes the Company to the risks of higher interest costs. To mitigate these risks, the Company follows a prudent risk management policy. The Company resorts to various hedging mechanisms to protect the cash flows. No speculative positions are created and all foreign currency hedges are taken on the back of operational exposures. The Company is spreading its debt profile across local and overseas sources, to provide a natural hedge. Finally, the Company takes pro-active measures to mitigate cost pressures arising out of currency movements including sourcing diversification and pricing adjustments.

INTERNAL CONTROL SYSTEMS

The Company's philosophy towards internal control systems is based on the principle of "healthy growth". The 3-line graph is the simple mantra for operating managers who are not just focused on revenue growth but also opex and capex productivity. In addition, Country chiefs and Finance heads are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. 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 investor interest by ensuring the highest level of governance and periodic communication with investors.

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 confirms the existence of effective internal control systems and procedures in the Company. The 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.

In India and South Asia, M/s. PricewaterhouseCoopers Private Limited (PwC) and M/s. ANB Consulting Private Limited are the internal auditors of the Company and they submit quarterly audit reports to the Audit Committee. In Africa, PricewaterhouseCoopers have been engaged as internal auditors for all countries except Nigeria, were KPMG has been appointed. KPMG has also been enganged to performe forensics work in all African operations. The Company has taken several steps to enhance the internal control systems in the new geographies, viz., Bangladesh, Sri Lanka and Africa such as: significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of Revenue Assurance checks, segregation of duties, rolling out self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education. The Company has also completed the implementation of Oracle ERP system in 13 countries in Africa, with added features for better internal controls on purchase-to-pay, fixed assets capitalization and inventory control processes. Centralisation of key Financial Reporting and Control activities as well as Revenue Assurance checks has been initiated. In India, a system of 24x7 continuous audit helps maintain oversight and monitoring of the Shared Services.

In summary, the healthy balance between empowerment and accountability at every operating level fosters a culture of responsible growth and well-judged risk taking.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

India and South Asia

Building an integrated, customer centric organization comprising of right talent and visionary leadership is at the core of our strategy in India. Re-organizing the India operations into B2C and B2B entities helped us leverage on inherent synergies of combining 3 product lines into 1 and offered an opportunity to employees across levels to contribute in enriched roles.

2011-12 also saw our human capital development efforts being taken to the next level with Hi-potential (HIPO) employees across functions being identified through a process of rigorous assessments as a part of the "Organization and Talent Review". These employees over the course of the next 3 years would go through targeted investments directed at their individual development. We have made further progress with our 'BLeAP' and 'ELeAP' programmes- which help HIPO employees to take on leadership roles in the future.

Partnering with the business to create a future ready pool of talent across all levels is a key pillar of our people development efforts. Our new 3D program was launched aimed at building employee capability on Data and Devices through extensive use of e-learning modules and subsequent certifications. Frontline capability building continued to be driven in the operating units with a focus on building cross functional capability across product lines.

Africa

2011 – 2012 was a year of continued transformations in Airtel Africa's people agenda. During the year we fundamentally reorganized the way we were structured in the continent. After setting up a new African headquarters at Nairobi, we sought to clarify governance positions and usher in new matrix reporting lines between the HQ and operating companies This helped establish clear lines of authority and responsibility across Africa. Active zonalization across all operating companies was carried out to facilitate transfer of decision making authority and empowerment within the zones.

With key alliances being launched with strategic partners across Africa, review mechanisms and built in structures of checks and balances were created to ensure governance. We leveraged on good practices from India by setting up key systems and processes across all functions. Facilitating movement of talent across geographies enabled us to embed short term assignees who supported in building these processes from the ground-up.

The Africa Leadership Initiative was launched with the objective of providing opportunities to high potential local talent to occupy leadership roles in their respective home countries. We also launched functional skill building programs covering Sales and Marketing, Networks and Customer Service which are aimed at building skills at frontline customer facing roles. During the year, we strengthened our partnerships with reputed global universities to reenergize our Leadership Development Programmes. While the scope of the partnership with INSEAD, already operational for leaders in South Asia, was expanded to include those in Africa, we entered a new partnership with Harvard to cater to leaders across both regions.

The Company's leadership development efforts were recognized by Aon Hewitt-Fortune as it won the 'Top Company for Leaders' award featuring amongst a list of global top 25 and top 5 Indian companies.

As we go into 2012-2013, we will increasingly be focused on stability and operational rigour. Our people agenda will continue to focus on capability building, improving employee engagement, and enhancing our employee value proposition.

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. As India opens its doors to the fourth generation of cellular wireless platform (4G), Bharti Airtel led the industry and launched 4G in Kolkata. With stronger emphasis on Data business across domestic and international markets, the Company believes data will be a key driver of overall growth.

The Company, along with other operators, has been representing to the Government of India for a fair, equitable and balanced policy regime that will enable the telecom sector to play a pivotal role in the next phase of India's economic growth, whilst sustaining the financial viability of the sector.

Emerging markets of Sri Lanka and Bangladesh and newer HD (High Definition) and interactive products of Digital TV will continue to be the focus areas for the Company. Airtel will continue to build its integrated solutions created for enterprise, small and medium businesses and continue to focus on its international infrastructure through submarine cable investments.

The Pan-India launch of airtel money has further ushered a new era of products and services for the customers. 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.

With geographic spread spanning most of the urban and rural India and its business offerings across the complete telecom services to retail and institutional customers, airtel's outlook promises and enables the Company to benefit from all growth opportunities in the Indian market. Also its continued unwavering focus on cost and synergies across the organization will keep it in a healthy financial position and this very business model augurs well for its expansion and success in new geographies.

As for our Africa operations, looking forward into 2012– 13, we shall be focusing on deploying our top ten transformation projects across the 17 countries of operation. Key focus areas include growing non-voice, deeper distribution, network quality and people development. We shall also be leveraging the fantastic opportunities that 3G data, Youth, SMB and Airtel Money present to us. Exploited fully, these have the capacity to make us truly unique to both our current and prospective customers in the market, whilst achieving our profitability goals.

SUMMARY

The Indian sub-continent and Sub-Saharan Africa continue to be amongst the most resilient economies of the world. The 20 countries that the Company operates in are probably the best places to be present in, given the current global economic situation. As a leading telecom player blessed with a loyal customer base, strong brand and a unique business model, we are destined to play our part in the economic growth of these countries.

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

Corporate Governance may be defined as a set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It is the system by which companies are directed and controlled. It is about promoting corporate fairness, transparency and accountability. In other words, 'good corporate governance' is simply 'good business'.

The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social.

A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws.

In recent years, corporate governance has received increased attention because of recent global financial melt-down, mega corporate failures and frauds of high-profile scandals involving abuse of corporate power and in some cases, alleged criminal activity by corporate officers. An integral part of an effective corporate governance regime includes provisions for civil or criminal prosecution of individuals who conduct unethical or illegal acts in the name of the enterprise.

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 organization.

Good corporate governance practices are also essential for a sustainable business model for generating long term value for all its 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 contain 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 to the highest standard of governance through continuous evaluation & 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 and arriving at decisions on the strength of adequate information;
- 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 and management compensation, 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 top 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 organization, though the board remains in effective control of the affairs of the Company at all times.

CORPORATE GOVERNANCE RATING

CRISIL has re-affirmed its Governance and Value Creation (GVC) rating viz. "CRISIL GVC Level 1" on the Corporate Governance Practices adopted by the Company. 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 across operations. Bharti Airtel's commitment to total compliance is backed by an independent and fully informed board and comprehensive processes and policies that enables transparency in our functioning. The organization 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) & JMD is responsible for the international operations of the Company; CEO (India & South Asia) has a direct responsibility for operations 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) & Joint Managing Director based in Nairobi, Kenya is responsible for overall business performance, management and expansion of the international operations. He is also responsible for driving people agenda, 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 driving people agenda, customer satisfaction, ensuring success of outsourcing initiatives and improvements in the internal control metrics for India and South Asia operations.

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*, who exercises independent judgment 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) in India and South Asia and Airtel International Management Board (AIMB) in Africa. The CEO's and the functional directors of the respective geographies are members of the respective boards The AMB and AIMB meet monthly and takes decisions relating to the business strategy and looks at achieving operational synergies across business units. The team owns and drives company-wide processes, systems and policies. AMB and AIMB also function 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) Various 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 realization 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 & 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 organizational 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 FDI Guidelines, listing agreement, license agreement, 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.in in the Investor Relations section.

The members of our Board are from diverse background 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 are approved unanimously. 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, the 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 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 a 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 directors will be appointed on at least one committee but not more than two committees of the Board;

e) As a general principle, the independent director is recommended to not 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 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.

Lord Evan Mervyn Davies has expressed his inability to continue as a director on the Board of the Company from the conclusion of the ensuing annual general meeting. In addition, in line with the Policy of Independent Directors adopted by the Board, H.E. Dr. Salim Ahmed Salim, independent director, has completed his term of office and will step down from the Board from the conclusion of the ensuing annual general meeting. The Board would appoint new directors in their place in due course in compliance with the statutory requirements.

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 establish a framework of prudent and effective controls which enables risk to be assessed and managed 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 behavior 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 by the Board.

Lead Independent Director

The Company since a long time has followed a practice of appointing a lead independent director. The Ministry of Corporate Affairs through the Corporate Governance Voluntary Guidelines also recommends the appointment of a lead independent director. Mr. N. Kumar has been designated as 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.

Meeting of Independent Directors

All independent directors meet separately prior to the commencement of every board meeting without the presence of any non independent directors or representatives of management to discuss and form an independent opinion on the agenda items and other board related matters.

In the above referred meeting, the independent directors also meet the statutory as well as internal auditors atleast once in a year by rotation to discuss internal audit effectiveness, control environment and invite their general feedback. The lead independent director updates the audit committee about the outcome of the meeting and action, if any, required to be taken by the Company.

Board Meeting Schedules and Agenda

The calendar for the Board and committee meetings as well as major items (including quarterly results) to be discussed at the meeting 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 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 convened either physically or through video conference. 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.

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 for the Company and its operating divisions or business segments;
- Minutes of meetings of the Board and board committees, resolutions passed by circulations 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 services;
- 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.

Number of Board Meetings

During the financial year 2011-12, the Board met five times i.e. on May 04-05, 2011, August 03, 2011, November 03-04, 2011, January 18, 2012 (through video conference) and February 07-08, 2012. Requisite information as per the requirements of clause 49 of the listing agreement is provided in the following table:

Name of Director	Director Identification Number	Category	Number of Directorships[1] and Committee Memberships and Chairmanships			No. of Board Meetings Attended (total held)	Whether Attended last AGM
			Directorships	Chairman-ships	Memberships		
Mr. Sunil Bharti Mittal	00042491	Executive director – Promoter	4	-	-	4 (5)	Yes
Mr. Manoj Kohli	00162071	Executive director	2	-	1	5 (5)	No
Mr. Akhil Gupta	00028728	Non-executive director	9	4	4	5 (5)	Yes
Ms. Chua Sock Koong	00047851	Non-executive director	2	Nil	Nil	4 (5)	No
Mr. Hui Weng Cheong	03269291	Non-executive director	2	Nil	Nil	5 (5)	No
Mr. Rajan Bharti Mittal	00028016	Non-executive director – promoter	6	2	5	5 (5)	Yes
Mr. Rakesh Bharti Mittal	00042494	Non-executive director – promoter	9	Nil	4	4 (5)	Yes
Ms. Tan Yong Choo	02910529	Non-executive director	2	Nil	2	5 (5)	No
Mr. Ajay Lal	00030388	Independent director	3	Nil	1	5 (5)	No
Mr. Craig Edward Ehrlich	02612082	Independent director	1	Nil	1	4 (5)	No
Lord Evan Mervyn Davies	03265571	Independent director	1	Nil	Nil	1 (5)	No
Mr. Narayanan Kumar	00007848	Independent director	6	4	1	5 (5)	Yes
Mr. Nikesh Arora	02433389	Independent director	1	Nil	Nil	2 (5)	No
Mr. Pulak Chandan Prasad	00003557	Independent director	2	Nil	1	4 (5)	No
H.E. Dr. Salim Ahmed Salim	03269401	Independent director	1	Nil	NIL	3 (5)	No
Mr. Tsun-yan Hsieh	03313649	Independent director	1	Nil	Nil	3 (5)	No

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 sec 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. 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
4. As on March 31, 2012, the following directors held equity shares in the Company as detailed below:
   - Mr. Akhil Gupta – 2,483,884 includes shares held jointly with his relative
   - Mr. Ajay Lal – 20,000 shares
   - Mr. Manoj Kohli – 253,739 shares

Remuneration Policy for Directors

The remuneration of executive director i.e. Mr. Sunil Bharti Mittal - Chairman and 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. Remuneration to Mr. Manoj Kohli, Joint Managing Director & CEO (International) is paid from Bharti Airtel International (Netherlands) B.V., a wholly owned subsidiary of the Company, where he has been appointed as Managing Director.

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 payment.

As per the policy for payment of commission to non executive directors (including independent directors) adopted by the Board, the non-executive directors are 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
- INR 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
- INR 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 INR 500,000 per annum if residing in India.

The commission is payable annually after approval of 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:

(i) INR 20,000/- for attending each meeting of the Board of directors

(ii) INR 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 2011-2012 are as under:

Amount in ₹

Name of Director	Sitting Fees	Salary and Allowances	Performance linked Incentive	Perquisites	Commission	Total
Executive director						
Mr. Sunil Bharti Mittal	—	95,882,196	112,500,000	4,474,256	—	212,856,452
Mr. Manoj Kohli	—	—	(11,260,274)	25,808,160	—	14,547,886
Non-executive director						
Mr. Akhil Gupta	—	—	—	—	2,500,000	2,500,000
Mr. Ajay Lal	160,000	—	—	—	3,500,000	3,660,000
Ms. Chua Sock Koong	—	—	—	—	2,549,188	2,549,188
Mr. Craig Ehrlich	120,000	—	—	—	5,098,375	5,218,375
Lord Evan Mervyn Davies	40,000	—	—	—	5,107,013	5,147,013
Mr. Hui Weng Cheong	—	—	—	—	2,553,506	2,553,506
Mr. N. Kumar	160,000	—	—	—	4,000,000	4,160,000
Mr. Nikesh Arora	80,000	—	—	—	5,098,375	5,178,375
Mr. Pulak Chandan Prasad	160,000	—	—	—	5,098,375	5,258,375
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	120,000	—	—	—	5,107,013	5,227,013
Ms. Tan Yong Choo	—	—	—	—	2,549,188	2,549,188
Mr. Tsun-yan Hsieh	120,000	—	—	—	5,108,453	5,228,453
Mr. Mauro Sentinelli*	—	—	—	—	367,152	367,152
Mr. Bashir Currimjee*	—	—	—	—	367,152	367,152
Total	**960,000**	**95,882,196**	**101,239,726**	**30,282,416**	**54,003,790**	**282,368,128**

*Ceased to be director in the financial year 2010-11. However, the commission due to them for their tenure of directorship was paid in FY 2011-12, after close of the financial year 2010-11

- 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.
- No 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 1, 2011 and August 1, 2008, respectively. These are based on the approval of the shareholders. There are no other contracts with any other director.
- No notice period or severance fee is payable to any director.
- Performance Linked Incentives (PLI)includes provision at 100% performance for the financial year 2011-12 and adjustmentsof actual PLI payout for the financial year 2010-11
- Commission include provision for the financial year 2011-12 and adjustments on account of actual payout for the financial year 2010-11
- Perquisite value amounting to ₹ 25,808,160 for Mr. Manoj Kohli represents taxable perquisite value of stock options exercised during the year.

Code of Conduct

The Board has laid down a Code of Conduct for all directors and senior management personnel of the Company, which is available on the website of the Company (www.airtel.in). 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 financial and commercial transactions entered into by the senior management with the Company where they have personal interest, that may have a potential conflict with the interest of the Company at large. 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 at the end of this report as Annexure A.

In addition to the Code of Conduct for the Board members and senior management, the Company has also laid down a general Code of Conduct for its employees. As a process it is mandatory for all the employees to confirm compliance with the Code of Conduct annually.

Regular training programs are conducted across locations to explain and reiterate the importance of adherence to the Code.

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.in and are also 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.

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, cost auditors and 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 judgment 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 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 2011-12 the Committee met four times i.e. on May 04, 2011, August 03, 2011, November 03, 2011 and February 07, 2012. Time gap between any two meetings was less than four months. All the meetings were held in New Delhi except August 03, 2011 meeting, which was held in Nairobi, Kenya.

Besides above, the Committee also holds a conference call a week before every regular meeting to discuss internal audit reports and other internal control issue. This provide an opportunity to the Audit Committee to devote more time on other significant matters in regular meetings. During the financial year the Committee met four times through the conference call i.e. April 27, 2011, July 27, 2011, October 31, 2011 and January 31, 2012.

The composition and the attendance of members at the meetings held during the financial year 2011-12, are given below:

Member Director	Category	Number of meetings attended (total held)	Number of Conference call attended (total conducted)
Mr. N Kumar *(Chairman)*	Independent director	4 (4)	4 (4)
Mr. Ajay Lal	Independent director	4 (4)	4 (4)
Mr. Craig Ehrlich	Independent director	3 (4)	2 (4)
Mr. Pulak Prasad	Independent director	4 (4)	2 (4)
Mr. Rakesh Bharti Mittal	Non-executive director	4 (4)	3 (4)
Mr. Tan Yong Choo	Non-executive director	4 (4)	4 (4)

Audit Committee Report for the year ended March 31, 2012

To the shareholders of Bharti Airtel Limited

The Audit Committee is pleased to present its report for the year ended March 31, 2012

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 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 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.

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

vi. 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.

vii. 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.

viii. The Committee reviewed with the management performance of M/s. Price Waterhouse Coopers Private Limited and M/s. ANB Consulting Company Private Limited, internal auditors and has recommended their re-appointment as the internal auditors of the Company to the Board.

ix. 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.

x. The 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: New Delhi
Date: May 01, 2012

N. Kumar
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 matters 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 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 2011-12, the committee met four times i.e. on May 04, 2011, August 03, 2011, November 03, 2011 and February 07, 2012. In addition, the committee also held a conference call on July 29, 2011.

The composition and the attendance of members at the meetings held during the period, are given below:

Member Director	Category	Number of meetings attended (total held)	Conference call attended (total conducted)
Lord Evan Mervyn Davies *(Chairman)*	Independent director	1 (4)	1 (1)
Mr. Hui Weng Cheong	Non-executive Director	4 (4)	1 (1)
Mr. Nikesh Arora	Independent director	2 (4)	0 (1)
Mr. Rajan Bharti Mittal	Non-executive Director	4 (4)	1 (1)
H. E. Dr. Salim Ahmed Salim	Independent director	3 (4)	1 (1)
Mr. Tsun-yan Hsieh	Independent director	3 (4)	1 (1)

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 includes 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:
  - quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
  - conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - 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;
  - specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - 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;
  - 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;
  - 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 2011-2012, the Committee met four times i.e. on May 04, 2011, August 03, 2011, November 03, 2011 and February 07, 2012. In addition, the Committee also held a conference call on July 29, 2011. This provided an opportunity to the ESOP Compensation Committee to devote more time on other significant matters in the regular Committee meeting. The composition and the attendance of members at the meetings held during the period are given below:

Member Director	Category	Number of meetings attended (total held)	Conference call attended (total held)
Mr. Rajan Bharti Mittal *(Chairman)*	Non-executive director	4 (4)	1 (1)
Lord Evan Mervyn Davies	Independent director	1 (4)	1 (1)
Mr. Hui Weng Cheong	Non-executive director	4 (4)	1 (1)
Mr. Nikesh Arora	Independent director	2 (4)	0 (1)
H.E. Dr. Salim Ahmed Salim	Independent director	3 (4)	1 (1)
Mr. Tsun-yan Hsieh	Independent director	3 (4)	1 (1)

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 three 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;
- Dematerialize or rematerialize 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 committee meetings are generally held on monthly basis to ensure that all investor requests are addressed within the statutory period and all investor grievances (except complaints/requests, which are constrained by legal impediments/ procedural issues) are redressed on priority without delay.

Meetings, Attendance and Composition

During the financial year 2011-2012, the Committee met ten times i.e. on May 03, 2011, June 02, 2011, June 17, 2011, July 04, 2011, August 18, 2011, November 08, 2011, November 22, 2011, December 19, 2011, January 13, 2012, and March 12, 2012. The composition and the attendance of members at the meetings held during the financial year 2011-12, are given below:

Member Director	Category	Number of meetings attended (total held)
Mr. Akhil Gupta *(Chairman)*	Non-executive director	9 (10)
Mr. Rajan Bharti Mittal	Non-executive director	10 (10)
Mr. Rakesh Bharti Mittal	Non-executive director	10 (10)
Mr. Manoj Kohli*	Executive director	Nil (9)

**Ceased to be the member w.e.f. February 07, 2012.*

Compliance Officer

Mukesh Bhavnani, 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 formulated a policy on classification of investor communications. The Policy endeavours to differentiate between the general shareholders communications and complaints. Under the Policy, all reminder communication by the shareholders or complaints to the stock exchanges/SEBI/ MCA are considered as complaints.

During the financial year 2011-2012, the complaints received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, and annual reports, etc which were resolved to the satisfaction of the shareholders. Details of the investors' complaints as on March 31, 2012 are as follows:

Type of Complaint	Number	Redressed	Pending
Non-receipt of securities	Nil	Nil	Nil
Non-receipt of Annual Report	3	3	Nil
Non-receipt of dividend/ dividend warrants	2	2	Nil
Total	**5**	**5**	**Nil**

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

Committee of Directors

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

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 authorization for any Bank, Demat, Subsidiary General Ledger (SGL), Dematerialization/ 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 & 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 authorization for any Bank Account, Subsidiary General Ledger (SGL) Account, Dematerialization/Depository Account;
- To approve, finalise and authorize 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 trenches 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 Authorizations

- 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, reappoint, remove, replace the trustees or representatives;
- To authorize one or more employee(ies), 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 authorized/delegated by the Board of directors or as might have been authorized/delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee;
- To authorize/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
2010-2011	Air Force Auditorium, Subroto Park, New Delhi	September 1, 2011	1530 Hrs. (IST)
2009-2010		September 1, 2010	1530 Hrs. (IST)
2008-2009		August 21, 2009	1530 Hrs. (IST)

Special Resolutions Passed at the Last Three AGMs

Following two special resolutions were passed at the 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 resolution was passed at the AGM held on August 21, 2009 and on September 1, 2011. Further, no special resolution is proposed to be passed at the ensuing AGM

Postal Ballot

During the previous year, the Company did not 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 with these entities, based on consideration of various business exigencies such as synergy in operations, sectoral specialization, and capital and are such transactions are on arms length basis.

Details of related party transactions have been disclosed under note 45 on page no. 128 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 organized approach for evaluating and managing risks. The monitoring of the risk assessment is included in the Company's annual internal audit program and received by the audit committee at regular intervals.

The Board is also 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 B 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.

- **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 victimization. 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 that has a grievance with respect to the Company (excluding standard customer complaints) has full access to the Ombudsperson through phones, emails 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

In line with the philosophy of the Government and amendment in the listing agreement, the Company has voluntarily migrated to IFRS accounting and accordingly the consolidated financial statements are prepared under IFRS from the financial year 2010-2011 onwards.

Green Initiatives by MCA

In support of the "Green initiative in the corporate governance", the Company has decided to send all communications including annual reports through email to those shareholders, who have registered their email id with their depository participant/company's registrar & 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 three 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 three years is as under.

₹ Millions

Financial year	Rate of dividend	Total pay-out	Amount paid to the shareholders	Amount un-paid to the shareholders
2010-11	₹ 1 per equity share of ₹ 5 each	3797.53	3790.77 (99.82%)	6.76 (0.18%)
2009-10	₹ 1 per equity share of ₹ 5 each	3797.53	3790.06 (99.80%)	7.47 (0.20%)
2008-09	₹ 2 per equity share of ₹ 10 each	3796.48	3790.38 (99.84%)	6.10 (0.16%)

The Company constantly endeavors 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 organize 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.in.

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, summarized 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

17th Annual General Meeting

Date	:	September 6, 2012
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, 2012	:	August 8, 2012, (Wednesday)
September 30, 2012	:	November 7, 2012, (Wednesday)
December 31, 2012	:	February 1, 2013, (Friday)
March 31, 2013	:	May 2, 2013 (Thursday)
Book Closure	:	Saturday, August 18, 2012 to Thursday, September 6, 2012 (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 6, 2012 (within the statutory time limit of 30 days i.e. up to October 5, 2012), 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 Sddress of the Stock Exchange	Scrip 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.

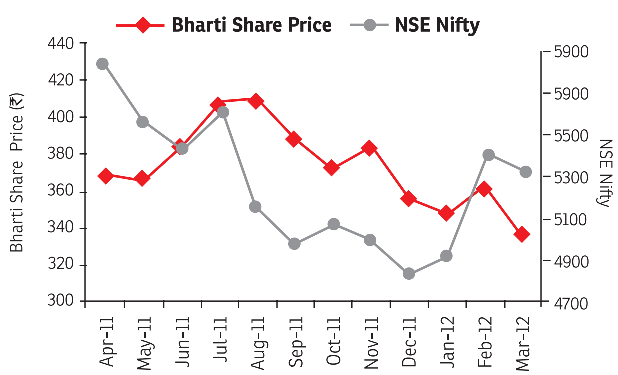
Stock Market Data for the Period April 01, 2011 to March 31, 2012

	NSE			BSE		
Month	**High ₹**	**Low ₹**	**Volume (Nos)**	**High ₹**	**Low ₹**	**Volume (Nos)**
Apr-11	386.75	353.30	84,737,321	386.75	353.25	6,284,558
May-11	383.70	350.95	73,442,634	383.95	350.75	21,111,696
Jun-11	401.45	369.65	95,825,974	401.35	370.80	9,510,133
Jul-11	437.25	382.25	104,096,478	437.00	381.95	17,122,067
Aug-11	441.35	383.65	133,696,645	440.25	383.50	7,784,833
Sep-11	408.60	372.80	87,013,153	408.65	372.00	4,759,063
Oct-11	393.05	354.80	81,419,550	392.85	354.80	5,216,419
Nov-11	405.20	364.80	155,631,539	405.30	364.85	10,060,204
Dec-11	390.60	323.25	130,527,531	390.30	322.85	9,566,582
Jan-12	374.60	320.45	92,609,266	374.85	321.20	5,514,128
Feb-12	389.05	338.70	193,731,618	388.60	338.35	17,870,205
Mar-12	350.40	322.75	89,342,7429	350.20	322.80	6,795,609

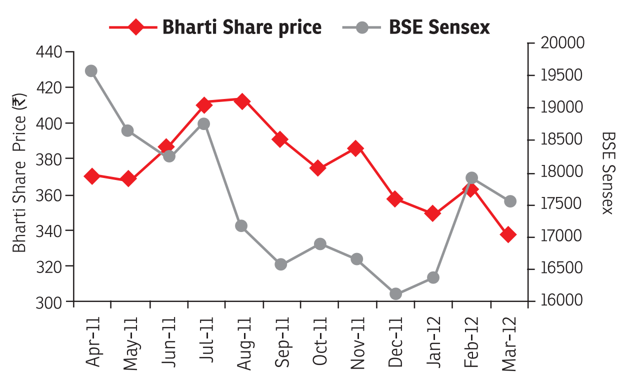
Source: www.nseindia.com Source: www.bseindia.com

Share Price Performance in Comparison with NSE Nifty and BSE Sensex

Bharti Share Price Vs. NSE Nifty



Bharti Share Price Vs. BSE Sensex



Share Transfer System

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

Transfer of shares in physical form is normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. All requests for registration of transfers are first processed by Karvy Computershare Pvt. Limited, Hyderabad, Registrar & Share Transfer Agent (RTA) and submitted to the Company for authentication. The authorised officials of the Company authenticate transfers and the duly transferred shares are returned to the shareholders. In order to speed up the process of registration of transfers, RTA has been authorised to register transfer upto 50 shares without any approval from 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, 2012

Sl. No.	Category (by No. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	322,279	97.66 %	30,304,392	0.80 %
2	5001 – 10000	3,569	1.08 %	5,400,169	0.14 %
3	10001 – 20000	1,589	0.48%	4,611,176	0.12 %
4	20001 – 30000	546	0.17%	2,720,314	0.07 %
5	30001 – 40000	285	0.09%	2,024,733	0.05 %
6	40001 – 50000	208	0.06%	1,925,930	0.05 %
7	50001 – 100000	355	0.10%	5,210,722	0.14 %
8	100001 – above	1177	0.36%	3,745,332,660	98.63 %
	TOTAL	**330,008**	**100 %**	**3,797,530,096**	**100 %**

By category of holders as on March 31, 2012

Sl. No		Category	No. of shares	% age of holding
I		**Promoter and promoter group**		
	(i)	Indian promoters	1,735,453,890	45.70
	(ii)	Foreign promoters	865,673,286	22.80
		Total promoters shareholding	**2,601,127,176.00**	**68.50**
II		**Public shareholding**		
	(A)	Institutional investors		
	(i)	Mutual Funds and Unit Trust of India	145,295,224	3.83
	(ii)	Financial institutions and Banks	2,457,793	0.06
	(iii)	Insurance companies	162,012,710	4.27
	(iv)	Foreign Institutional Investors	642,750,737	16.93
	(B)	**Others**		
	(i)	Bodies Corporate (Indian)	173,105,810	4.56
	(ii)	Bodies Corporate (foreign)	5,082,710	0.13
	(iii)	Trusts	3,315,306	0.08
	(iv)	NRIs/OCBs/Foreign Nationals	3,246,590	0.08
	(v)	Indian Public & Others	59,136,040	1.56
		Total Public Shareholding	**1,196,402,920**	**31.50**
		Total Shareholding	**3,797,530,096**	**100**

Top 10 Shareholders as on April 27, 2012

Sl. No.	Holders*	Shareholding	%
1	Bharti Telecom Limited	1,735,453,890	45.70
2	Pastel Limited	591,319,300	15.57
3	Indian Continent Investment Limited	265,860,986	7.00
4	Life Insurance Corporation of India	162,409,277	4.28
5	ICICI Prudential Life Insurance Company Limited	46,430,489	1.22
6	HDFC Trustee Company Limited	33,653,405	0.89
7	Emerging Markets Growth Fund, Inc.	29,967,418	0.79
8	Franklin Templeton	25,011,770	0.66
9	Prudential ICICI Trust Ltd	23,113,471	0.61
10	Bajaj Allianz Life Insurance Company Ltd.	20,264,940	0.53
	Total	**2,933,484,946**	**77.25%**

*includes shares held in different accounts

Dematerlization 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, 2012, over 99.86% shares of the Company were held in dematerialized form. ISIN for the Company's shares is INE397D01024.

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

Mukesh Bhavnani
Group General Counsel and 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
Email: compliance.officer@bharti.in
Website: www.airtel.in

For queries relating to Financial Statements

Harjeet Kohli
Group Treasurer - 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
Email: ir.@bharti.in

For Corporate Communication related matters

Raza Khan
Head - Group Corporate Communications
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
Email: corporate.communication@bharti.in

Registrar & Transfer Agent

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittalrao Nagar
Madhapur,
Hyderabad 500 081
Ph No.: 040-23420815-821
Fax No.: 040-23420814
E-mail: 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, 2012.

For Bharti Airtel Limited

Sanjay Kapoor
CEO (India & South Asia)

Place: New Delhi
Date: May 02, 2012

Annexure B

CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Sanjay Kapoor, CEO (India & South Asia) and Srikanth Balachandran, Global 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 ended 31st March, 2012 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 period;

  (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 Balachandran
Global Chief Financial Officer

Place: New Delhi
Date: May 02, 2012

Secretarial audit report

The Board of Directors
Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road
Vasant Kunj, Phase II,
New Delhi – 110070

We have examined the registers, records and documents of Bharti Airtel Limited (the Company) for the financial year ended 31st March 2012 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, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992;
  - 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 and with the Bombay Stock Exchange

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 to 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. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of Section 205 of the Act during the year.
12. Registration of transfer of shares held in physical mode.
13. Dematerialisation and Rematerialisation of shares.
14. Execution of contracts, affixation of common seal, registered office and the name of the Company.

15. Conferment of options and transfer 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, 2011.
17. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations), 1992
18. Requirements set out in the listing agreement with the aforementioned stock exchanges.

B. We further report that during the period -

(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 the 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 23, 2012

Standalone financial statements with Auditors' report

INDEPENDENT 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, 2012 and also the statement of profit and loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;

      b) in the case of the statement of profit and loss, 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 2, 2012

Annexure referred to in paragraph 3 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 Company has physical verification program of covering all fixed assets over a period of three years. Pursuant to the program, during the year, a substantial portion of planned physical verification of fixed assets and capital work in progress has been conducted by the management. *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) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

(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 account 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	31	2000-02; 2005-08; 2009-10	Deputy Commissioner, Commercial Taxes, Punjagutta
Gujarat Sales Tax Act	Sales Tax	1	2006-07	Assistant Commissioner of Sales tax
West Bengal Sales Tax Act	Sales Tax	0	1996-97	The Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act	Sales Tax	0	1997-98	The Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act	Sales Tax	9	2005-06	Revision Board, Sales Tax
West Bengal Sales Tax Act	Sales Tax	12	2006-09	Appellate Authority
West Bengal Sales Tax Act	Sales Tax	1	2006-09	Sales Tax Tribunal
UP VAT Act	Sales Tax	16	2002-05, 2006-10	Assessing Officer
UP VAT Act	Sales Tax	22	2003-04, 2004-05, 2008-10	Assistant Commissioner Trade Tax
UP VAT Act	Sales Tax	11	2002-03	Commissioner of Trade Tax
UP VAT Act	Sales Tax	18	2006-07, 2008-10	High Court of Judicature - Allahabad
UP VAT Act	Sales Tax	14	2005-07, 2008-10	Joint Commissioner Appeals
UP VAT Act	Sales Tax	1	2006-07	Sales Tax Tribunal
Haryana Sales Tax Act	Sales Tax	3	2002-2004	Sales tax Officer
Himachal Pradesh Value Added Tax Act	Sales Tax	2	2007-09	Sales Tax Tribunal
Himachal Pradesh Value Added Tax Act	Sales Tax	0	2004-05	Assessing Officer
Punjab Sales Tax Act	Sales Tax	1	2001-02	Jt. Director (Enforcement)
Punjab Sales Tax Act	Sales Tax	30	2003-04	Punjab & Haryana High Court
Punjab Sales Tax Act	Sales Tax	1	2008-10	Deputy Excise & Taxation Commissioner Appeals Patiala
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997-01 & 2003-06 & 2007-08	Deputy Commissioner Appeals
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	15	2006-08	Appellate Authority
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Bombay High Court
Kerela Sales Tax Act	Sales Tax	2	2009-11	Intelligence Officer Squad No. V, Palakkad
Bihar Value Added Sales Tax Act	Sales Tax	45	2005-08	Assistant Commisioner
Bihar Value Added Sales Tax Act	Sales Tax	20	2006-07; 2007-08	Commissioner
J&K General Sales Tax	Sales Tax	34	2004-07	High Court
Karnataka Sales Tax Act	Sales Tax	0	2005-06	High Court

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to Which it Relates	Forum where the dispute is pending
Karnataka Sales Tax Act	Sales Tax	291	2004-05	ACST, Bangalore, Karnataka
Tamil Nadu General Sales Tax Act	Sales Tax	1	2004-05	Assistant Commissioner, Sales Tax
Sub Total (A)		**603**		
Finance Act, 1994 (Service tax provisions)	Service Tax	1,941	1997-2009	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	0	1997-98; 2000-07	Commissioner (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	0	2004-06	Deputy Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	14	2004-08	Commissioner of Central Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	2,438	2004-09	Commissioner, adjudication
Finance Act, 1994 (Service tax provisions)	Service Tax	255	2001-11	Commissioner of Service tax
Finance Act, 1994 (Service tax provisions)	Service Tax	2	2002-03	High Court of Madaras, chennai
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2000-01; 2008-09	Deputy Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2006-07	Joint Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	5	1995-97	Commissioner of Service tax
Sub Total (B)		**4,657**		
Income Tax Act, 1961	Income Tax	15,540	1994-2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	192	1994-1995; 1996-97; 1999-00; 2003-05	High Court
Income Tax Act, 1961	Income Tax	4,339	2006-07	Dispute Resolution Panel
Income Tax Act, 1961	Income Tax	7	1996-97; 2005-10	Assessing Officer
Income Tax Act, 1961	Income Tax	2,139	1997-98, 2000-01 to 2006-07	Income Tax Appellate Tribunal
Sub Total (C)		**22,217**		
Customs Act-1962	Custom Act	2,289	2005-07; 2009-10	Customs, Excise and Service Tax Appelate Tribunal
Sub Total (D)		**2,289**		

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 ₹ 228 Mn, Service Tax is ₹ 25 Mn, Income Tax is ₹ 3,316 Mn and Custom Duty is ₹ 83 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 ₹ 39,491 million 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 had created security or charge in respect of debentures outstanding at the beginning of the year and has released such security on repayment of debentures during the year.

(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/assets, on the Company by employees and external parties estimated at ₹ 16.2 million and ₹ 55.4 million, respectively*, as detected by the management for which appropriate steps were taken to recover the amount and ₹ 0.7 million 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 2, 2012

Balance Sheet as of March 31, 2012

(₹ Millions)

Particulars	Notes	As of March 31, 2012	As of March 31, 2011
Equity and Liabilities			
Shareholders' Funds			
Share capital	4	18,988	18,988
Reserves and surplus	5	475,308	422,128
Non-Current Liabilities			
Long-term borrowings	6	82,338	74,687
Defered tax liabilities (Net)	7	8,367	5,276
Other long term liabilities	8	25,184	25,132
Long term provisions	9	1,405	1,002
Current Liabilities			
Short-term borrowings	10	58,956	27,644
Trade payables	11	45,121	49,598
Other current liabilities	12	82,000	86,097
Short term provisions	13	5,570	5,274
Total		803,237	715,826
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	14	263,782	274,776
Intangible assets	15	140,626	132,231
Capital work-in-progress		9,230	14,320
Intangible assets under development		35,435	50,472
Non current investments	16	118,041	117,051
Long- term loans and advances	17	84,817	70,812
Other non-current assets	18	10,870	3,059
Current Assets			
Current investments	19	5,337	1,079
Inventories	20	321	344
Trade receivables	21	21,345	14,619
Cash and bank balances	22	4,812	1,332
Short-term loans and advances	23	98,101	25,464
Other current assets	24	10,520	10,267
Total		803,237	715,826

The accompanying notes form an integral part of the financial statements.

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 2, 2012

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)

Mukesh Bhavnani
Group General Counsel &
Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Statement of Profit and Loss for the year ended March 31, 2012

(₹ Millions, except per share data and as stated otherwise)

Particulars	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from operations	28	416,038	380,177
Other income	29	6,247	3,212
Total Revenue		422,285	383,389
Expenses			
Access charges		58,086	49,872
License fee and spectrum charges (revenue share)		46,942	42,903
Cost of goods sold	30	183	161
Employee benefits expenses	31	13,915	14,512
Power and fuel	32	29,727	25,233
Rent	32	47,714	43,337
Other expenses	32	82,702	70,466
Total Expenses		279,269	246,484
Profit before Finance Costs, Depreciation, Amortisation, Charity and Donation and Taxation		143,016	136,905
Finance costs	33	13,962	3,241
Depreciation and amortisation expense	34	59,160	46,116
Charity and donation		332	290
Profit before Tax		69,562	87,258
MAT credit		(5,227)	(12,469)
Tax Expense			
Current tax		14,398	17,315
Deferred tax		3,091	5,243
Profit for the year		57,300	77,169
Earnings per share (equity shares of par value ₹ 5 each)			
Basic and Diluted (In ₹)		15.09	20.32

The accompanying notes form an integral part of the financial statements.

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 2, 2012

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Global Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2012

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
A. Cash flows from operating activities:		
Profit before tax	69,562	87,258
Adjustments for -		
Depreciation and amortisation expense	59,160	46,116
Interest income	(1,647)	(552)
(Profit)/ loss on sale of investments	(1,015)	(1,550)
Finance costs	15,619	3,193
Unrealized foreign exchange (gain)/loss	(5,603)	(122)
Expenses on employee stock option plan	536	1,094
(Profit)/ loss on sale of assets (net)	473	246
Dividend income	(263)	-
Operating cash flow before changes in assets and liabilities	136,822	135,683
Adjustments for changes in assets and liabilities :		
- (Increase)/decrease in trade receivables	(6,725)	(1,990)
- (Increase)/decrease in other receivables	(8,315)	140
- (Increase)/decrease in inventories	23	(72)
- Increase/(decrease) in trade and other payables	6,421	15,977
- Increase/(decrease) in provisions	115	(285)
Cash generated from operations	128,341	149,453
Taxes paid	(13,963)	(16,521)
Net cash flow from/(used in) operating activities:	114,378	132,932
B. Cash flows from investing activities:		
Purchase of tangible assets	(45,692)	(54,515)
Purchase of intangible assets	(5,260)	(158,060)
Proceeds from sale of fixed assets	1,965	347
Purchase of investment (net)	(3,244)	46,667
Acquisition/subscription/investment in subsidiaries/associate/joint venture (Refer Note 35)	(990)	(5,514)
Net movement in advances given to subsidiaries/associate/joint venture	(72,289)	(25,215)
Purchase of fixed deposits (with maturity more than three months)	(1,264)	(54)
Proceeds from maturity of fixed deposits (with maturity more than three months)	52	4,750
Interest received	341	573
Dividend income	263	-
Net cash flow from/(used in) investing activities	(126,118)	(191,021)
C. Cash flows from financing activities:		
Receipts from long-term borrowings	30,920	79,500
Payments for long-term borrowings	(28,371)	(32,983)
Short-term borrowings (net)	28,363	21,350
Dividend paid	(3,798)	(3,798)
Tax on dividend paid	(616)	(630)
Interest and other finance charges paid	(12,838)	(7,241)
Gain/(loss) from swap arrangements	348	(250)
Net cash flow from/(used in) financing activities	14,008	55,948
Net increase/(decrease) in cash and cash equivalents during the year	2,268	(2,141)
Add : Balance as at the beginning of the year	1,280	3,421
Balance as at the end of the year (Refer note 22)	3,548	1,280

Notes :

1 Figures in brackets indicate cash out flow.
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 ₹ Nil pledged with various authorities (March 31, 2011- ₹ 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.

The accompanying notes form an integral part of the financial statements.

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 2, 2012

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

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Global Chief Financial Officer

Notes to the financial statements for the year ended March 31, 2012

1. CORPORATE INFORMATION

Bharti Airtel Limited ('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. The Company's shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay 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 - 110070.

The Company is a leading telecommunication service provider in India providing telecommunication systems and services.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under the 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, except for the change as explained in note 2.1 (a) below.

2.1. Summary of significant accounting policies

a. Change in accounting policy - presentation and disclosure of financial statements

The financial statements of the Company have been prepared and presented for the year ended March 31, 2012, as per the format prescribed under the revised Schedule VI notified under the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for the preparation of the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of estimates

The preparation of the 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, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

c. Tangible assets

Tangible assets are stated at cost of acquisition and subsequent improvements thereto, including taxes & 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 capitalized 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is porbable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured realiably. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in statement of profit and loss on the date of retirement and disposal.

d. Depreciation on tangible assets

Depreciation on tangible 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.

Estimated useful lives of the assets are as follows:

Particulars	Years
Leasehold Land	Period of lease
Building	20
Building on Leased Land	20
Leasehold Improvements	Period of lease or 10 years, whichever is less
Plant & Machinery	3 - 20
Computer	3
Office Equipment	2/5
Furniture and Fixtures	5
Vehicles	5

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

Assets costing up to ₹ 5 thousand (other than identified Customer Premise Equipment) are being fully depreciated within one year from the date of place in service.

e. Intangible assets

Licenses

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

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 are being amortised over the period of license from the effective date of launch of 3G services in a circle.

Intangible assets under development are valued at cost.

Bandwidth

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

Software

Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of license, generally not exceeding three years. Software up to ₹ 500 thousand is amortized over a period of one year from the date of place in service.

f. 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 item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss 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 capitalized as assets by the Company at the lower of fair value of the leased property or the present value of the minimum lease payments.

Amortization 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

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets.

Leases in which the Company transfer substantially all the risks and benefits of ownership of the asset are classified as finance leases.

Assets leased to others under finance lease are recognized as receivables at an amount equal to the net investment in the leased assets. Finance Income is recognized 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 statement of profit and loss at the inception of the lease.

g. 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 construction period is capitalized based on actual investment in the asset at the average interest rate for specific borrowings. All other borrowing cost are expensed in the period they occur.

h. 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 recognized 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).

i. Asset retirement obligations (ARO)

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

j. Investment

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

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

k. 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.

l. 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.

Airtel Business (Previously known as 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 installation and provision of Internet and Satellite Services. 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 amortized 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 the 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.

m. 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 statement of profit and loss in the year in which the related revenues are recognised. Revenue for this purpose is identified as adjusted gross revenue as per the respective license agreements.

n. 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 recognized 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 & speculation purposes, are recognised in the statement of profit and loss 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 statement of profit and loss 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. In accordance with the ICAI announcement, 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 statement of profit and loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognized 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, stand-alone 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 recognized in the statement of profit and loss 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 statement of profit and loss for the year.

o. 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 recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the statement of profit and loss. 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) The 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 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 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 year. The actuarial valuation is done as per projected unit credit method.

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

p. 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 statement of profit and loss in the year in which such expenditure is incurred.

q. Taxes

Current Income Tax

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 Tax

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 realized.

MAT Credit

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 recognized 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 statement of 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.

r. Share based compensation

Employee stock compensation 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.

s. Segmental reporting

a) Primary Segment

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

b) Secondary Segment

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

t. Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. 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 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).

u. Provisions and contingencies

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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

v. Multiple element contracts with vendors

The Company enters into multiple element contracts with vendors for supply of goods and rendering of services. The consideration under this contracts is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under such contracts are accounted under as Tangible assets or as Intangible assets in view of the substance of these contracts and existence of economic ownership in these assets.

w. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and at bank and short-term investments with an original maturity of three months or less.

3. 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.

Mobile Services - These services cover voice and data telecom services provided through GSM technology in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Telemedia Services - These services cover voice and data communications based on fixed network and broadband technology.

Airtel Business - These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Summary of the Segmental Information for the year ended and as of March 31, 2012:

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business#	Unallocated	Eliminations	Total
Revenue						
Revenue from operations	350,982	33,698	31,358	-	-	416,038
Inter Segment Revenue	16,173	3,169	9,405	-	(28,747)	-
Total Revenue	**367,155**	**36,867**	**40,763**	**-**	**(28,747)**	**416,038**
Results						
Segment Result - Profit/(Loss)*	77,968	6,983	(840)	(3,512)	-	80,599
Finance Expense *				11,037	-	11,037
Profit/(Loss) before tax	**77,968**	**6,983**	**(840)**	**(14,549)**	**-**	**69,562**
Provision for Tax						
- Current Tax (including MAT credit)				9,171	-	9,171
- Deferred Tax (Credit)/Charge				3,091	-	3,091
Net Profit/(Loss) after tax	**77,968**	**6,983**	**(840)**	**(26,811)**	**-**	**57,300**
Other Information						
Segment Assets	378,256	88,475	38,424	268,176	-	773,331
Inter Segment Assets	200,186	9,687	45,857	22,228	(277,958)	-
MAT Credit				29,906	-	29,906
Total Assets	**578,442**	**98,162**	**84,281**	**320,310**	**(277,958)**	**803,237**
Segment Liabilities**	110,612	9,365	16,011	164,278	-	300,266
Inter Segment Liabilities	23,353	54,277	24,248	176,080	(277,958)	-
Provision for Tax (Net of Advance Tax)				308	-	308
Deferred Tax Liability (net)				8,367	-	8,367
Total Liabilities	**133,965**	**63,642**	**40,259**	**349,033**	**(277,958)**	**308,941**
Capital Expenditure	51,143	8,703	5,324	445	(7,071)	58,544
Depreciation and amortisation	47,945	8,523	5,502	423	(3,233)	59,160

* Segment result excludes finance income of ₹ 2,925 Mn, which is netted off from finance expense for the purpose of segment reporting.
**Unallocated liabilities includes amount borrowed for the acquisition of 3G & BWA Licenses of ₹ 61,117 Mn.
Previously known as Enterprise Services

Summary of the Segmental Information for the year ended and as of March 31, 2011:

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business#	Unallocated	Eliminations	Total
Revenue						
Revenue from operations	317,841	33,447	28,889	-	-	380,177
Inter Segment Revenue	14,778	2,489	10,253	-	(27,520)	-
Total Revenue	**332,619**	**35,936**	**39,142**	**-**	**(27,520)**	**380,177**
Results						
Segment Result - Profit/(Loss)*	85,400	8,285	4,275	(9,563)	-	88,397
Finance Expense *				1,139	-	1,139
Profit/(Loss) before tax	**85,400**	**8,285**	**4,275**	**(10,702)**	**-**	**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	**85,400**	**8,285**	**4,275**	**(20,791)**	**-**	**77,169**
Other Information						
Segment Assets	391,373	86,578	35,736	177,403	-	691,090
Inter Segment Assets	107,427	10,000	60,356	27,412	(205,195)	-
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	**498,800**	**96,578**	**96,092**	**229,551**	**(205,195)**	**715,826**
Segment Liabilities**	106,050	8,524	23,726	131,134	-	269,434
Inter Segment Liabilities	25,109	60,381	26,801	92,904	(205,195)	-
Deferred Tax Liability (net)				5,276	-	5,276
Total Liabilities	**131,159**	**68,905**	**50,527**	**229,314**	**(205,195)**	**274,710**
Capital Expenditure	161,497	10,939	15,211	583	(14,765)	173,465
Depreciation and amortisation	35,877	8,077	4,697	297	(2,832)	46,116

* Segment result excludes finance income of ₹ 2,102 Mn, which is netted off from finance expense for the purpose of segment reporting.
**Unallocated liabilities include amount borrowed for the acquisition of 3G and BWA Licenses of ₹ 63,765 Mn.
Previously known as Enterprise services

Notes :

1 Segment results represent profit/(loss) before finance costs (net of finance income) and tax.
2. Re-branding expenditure is included under the head ' Unallocated'
3. Capital expenditure represents gross additions made to tangible and intangible assets during the year.
4. Segment assets include tangible, intangible, current and other non current assets.
5. Segment liabilities include current and non current liabilities.
6. Inter segment assets/liabilities represent the inter segment account balances.
7. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Company level.
8. Unallocated includes other income, profits/(losses), assets and liabilities of the Company which are not allocated to the individual segments and is primarily related to the corporate headquarter of the Company.

Information about Geographical Segment – Secondary

The Company has operations serving customers within India as well as located in other countries. The information relating to the geographical segments in respect of customers being served and assets within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below :

(₹ Millions)

Particulars	As at March 31, 2012	As at March 31, 2011
Segment Revenue from external customers based on geographical location of customers		
Within India	395,990	362,242
Others	20,048	17,935
	416,038	380,177
Carrying amount of Segment Assets by geographical location of assets		
Within India	774,083	696,023
Others	29,154	19,803
	803,237	715,826
Cost incurred during the year to acquire segment assets by geographical location of assets		
Within India	57,716	164,216
Others	828	9,249
	58,544	173,465

Notes:
1. Segment assets include tangible, intangible, current and other non current assets.
2. Cost incurred during the year to acquire segment assets represents gross additions made to tangible and intangible assets during the year.

4. SHARE CAPITAL

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Authorised shares		
5,000,000,000 (March 31, 2011 - 5,000,000,000) equity shares of ₹ 5 each	25,000	25,000
Issued, Subscribed and fully paid-up shares		
3,797,530,096 (March 31, 2011 - 3,797,530,096) equity shares of ₹ 5 each	18,988	18,988
	18,988	18,988

Note: 21,474,527 Equity shares of ₹ 10 each are alloted as fully paid-up upon the conversion of Foreign Currency Convertible Bonds (FCCBs)

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As of March 31, 2012		As of March 31, 2011	
	No.	₹ Mn	No.	₹ Mn
At the beginning of the year	3,797,530,096	18,988	3,797,530,096	18,988
Issued during the year	-	-	-	-
Outstanding at the end of the year	3,797,530,096	18,988	3,797,530,096	18,988

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2012, the amount of dividend per share recognized as distributions to equity shareholders was ₹ 1.00 (March 31, 2011 ₹ 1.00).

c. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

Particulars	As of March 31, 2012		As of March 31, 2011	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid				
Bharti Telecom Limited	1,735,453,890	45.70%	1,727,739,056	45.50%
Pastel Limited	591,319,300	15.57%	591,319,300	15.57%
Indian Continent Investment Limited	265,860,986	7.00%	265,860,986	7.00%

5. RESERVES AND SURPLUS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Capital Reserve	51	51
Securities Premium		
Opening balance	40,641	40,533
Additions during the year	157	108
Closing balance	40,798	40,641
Debenture Redemption Reserve		
Opening balance	32	97
Transferred to statement of profit and loss during the year	(32)	(65)
Closing balance	-	32
Revaluation Reserve	21	21
Employee Stock Options Outstanding		
Opening balance	3,694	1,964
Add : Grant during the year	369	1,065
Less : Forfeiture/Exercise	672	(665)
	3,391	3,694
Less : Deferred stock compentation	460	908
Closing balance	2,931	2,786
Reserve for Business Restructuring	24,912	24,912
General Reserve		
Opening balance	18,865	13,124
Add : Adjustment on account of forfeiture of employee stock option	56	-
Add : Adjustment on account of exercise of stock options through open market purchase	(64)	(59)
Add : Transferred from surplus balance in statement of profit and loss	4,300	5,800
Closing balance	23,157	18,865
Surplus in the Statement of Profit and Loss		
Opening balance	334,820	267,785
Add : Profit for the year	57,300	77,169
Amount available for appropriation	392,120	344,954
Appropriations:		
Transferred from Debenture Redemption Reserve	32	65
Transferred to General Reserve	(4,300)	(5,800)
Dividend proposed	(3,798)	(3,798)
Tax on dividend proposed/paid	(616)	(601)
Net surplus in the statement of profit and loss	383,438	334,820
Total	475,308	422,128

6. LONG-TERM BORROWINGS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Secured		
Debentures	-	125
Others	29	46
Total secured loans	29	171
Unsecured		
Term Loans		
From Banks	51,275	68,093
From Others	42,754	23,067
Total unsecured loans	94,029	91,160
Less: Current maturities (payable within 1 year)		
From Banks	5,642	8,965
From Others	6,078	7,679
	82,338	74,687

a. 'Others' under secured loans represent vehicle loans from bank which are secured by hypothecation of vehicles of the Company.

b. Details on analysis of borrowings i.e. Maturity profile, interest rate and currency of borrowings

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2012	Maturity profile			
			within one year	between one and two years	between two and five years	over five years
INR	10.54%	70,029	2,268	6,760	51,001	10,000
JPY	0.79%	5,026	5,026	-	-	-
USD	0.78%	19,003	4,426	3,898	8,859	1,820
Total	**7.91%**	**94,058**	**11,720**	**10,658**	**59,860**	**11,820**

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2011	Maturity profile			
			within one year	between one and two years	between two and five years	over five years
INR	8.43%	53,852	148	2,702	40,266	10,736
JPY	0.94%	16,626	12,278	4,348	-	-
USD	0.79%	20,853	4,218	3,912	9,177	3,546
Total	**5.36%**	**91,331**	**16,644**	**10,962**	**49,443**	**14,282**

c. The borrowings of ₹ 94,058 Mn outstanding as of March 31, 2012 is repayable in 338 half yearly installments (borrowings of ₹ 91,331 Mn outstanding as of March 31, 2011 includes borrowings of ₹ 84,996 Mn repayable in 388 half yearly instalments and borrowings of ₹ 6,335 Mn repayable in 2 bullet instalments).

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

(₹ Millions)

Particulars	Amount Outstanding As of March 31, 2012	As of March 31, 2011	Security charges
11.70%, 50 Non-convertible Redeemable Debentures of ₹ 10,000 thousand each	-	125	• First ranking pari passu charge on all present and future tangible movable and immovable assets owned by the Company 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.
Total	**-**	**125**	

7. TAXES

a. Deferred tax liabilities (Net)

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
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)	4,264	3,886
Lease Rent Equalization charged in financial statement but allowed as deduction under the Income Tax Act in future years on actual payment basis	3,163	2,330
Foreign exchange fluctuation and mark to market 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)	2,123	620
Other expenses claimed as deduction in the financial statement but allowed as deduction under Income Tax Act in future year on actual payment (Net).	1,230	973
Gross Deferred Tax Assets	**10,780**	7,809
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statement in future years	(19,147)	(13,085)
Gross Deferred Tax Liabilities	**(19,147)**	(13,085)
Net Deferred Tax Liabilities	**(8,367)**	(5,276)

b. MAT credit includes income of ₹ 333 Mn (March 31, 2011 ₹ 345 Mn) relating to earlier years and current tax includes income of ₹ 29 Mn (March 31, 2011 ₹ 13 Mn) relating to earlier years.

c. During the year ended March 31, 2012, the Company has changed the trigger date for earlier years for certain business units enjoying Income tax holiday under the Indian tax laws. Accordingly, income tax credit of ₹ 903 Mn pertaining to earlier years has been recognized during the year ended March 31, 2012.

8. OTHER LONG TERM LIABILITIES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Security deposit received	**5,091**	2,762
Equipment supply payable	**4,475**	2,549
Deferred revenue	**4,730**	11,195
Others	**10,888**	8,626
	25,184	25,132

a. 'Others' include rent equalization reserve of ₹ 10,692 Mn as of March 31, 2012 (₹ 8,333 Mn as of March 31, 2011).

b. Security deposit ₹ 5,091 Mn (March 31, 2011 ₹ 2,755 Mn) included under 'Security deposit received', 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. Trade receivables are secured to the extent of the amount outstanding against individual subscribers by way of security deposit received from them.

9. LONG TERM PROVISIONS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Provision for employee benefits (refer note 37)		
Provision for gratuity	**847**	666
Provision for deferred bonus & long term service award	**119**	171
	966	837
Other provisions		
Provision for asset retirement obligation	**439**	165
	1,405	1,002

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:

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening balance	**165**	162
Addition during the year	**274**	3
Closing balance	**439**	165

10. SHORT-TERM BORROWINGS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
(Unsecured unless stated otherwise)		
Loans		
From banks	43,383	19,844
From others	2,000	-
Loans repayable on demand		
Cash Credit	314	-
Loans & advances from related parties (refer note 45)	13,259	7,800
	58,956	27,644

a. Details on analysis of borrowings i.e. interest rate and currency of borrowings

(₹ Millions)

Currency of borrowings	As of March 31, 2012		As of March 31, 2011	
	Rate of Interest (Weighted average)	Amount Outstanding	Rate of Interest (Weighted average)	Amount Outstanding
INR	10.72%	28,400	11.17%	4,300
USD	3.64%	16,983	3.24%	15,544
Total	8.20%	45,383	4.94%	19,844

b. The borrowings of ₹ 45,383 Mn outstanding as of March 31, 2012 is repayable in 12 bullet instalments (borrowings of ₹ 19,844 Mn outstanding as of March 31, 2011 is repayable in 10 bullet instalments).

11. TRADE PAYABLES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Dues to Micro and Small Enterprises*	50	43
Trade payables other than dues to Micro and Small Enterprises**	45,071	49,555
	45,121	49,598

* refer note 44 for details of dues to micro and small enterprises
** amount payable to related parties ₹ 4,914 Mn (March 31, 2011 ₹ 14,859 Mn)

12. OTHER CURRENT LIABILITIES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Deferred revenue	24,079	15,440
Equipment supply payables	21,365	33,697
Payable to others	18,322	12,707
Advance received from customers	1,356	1,426
Current maturities of long term debt	11,720	16,644
Interest accrued but not due on borrowings	685	578
Other taxes payable	3,477	4,700
Unpaid dividends	20	14
Other liabilities	976	891
	82,000	86,097

Payable to others and Other liabilities include provision of ₹ 14,608 Mn as of March 31, 2012 and ₹ 10,187 Mn as of March 31, 2011 towards sub judice matters.

13. SHORT TERM PROVISIONS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Provision for employee benefits (refer note 37)		
Provision for Gratuity	196	253
Provision for Leave Encashment	652	607
Total	848	860
Others		
Provision for Income Tax (net of advance tax of ₹ 77,304 Mn (March 31, 2011 ₹ NIL))	308	-
Proposed Dividend	3,798	3,798
Tax on Dividend	616	616
Total	4,722	4,414
	5,570	5,274

14. TANGIBLE ASSETS

(₹ Millions)

Particulars	Leasehold Land	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer*	Leasehold improvements	Total
Cost										
As of April 1, 2010	385	1,226	5,132	367,182	1,239	235	2,310	24,953	3,204	405,866
Additions	-	227	398	56,768	147	58	341	3,384	241	61,564
Disposals	-	-	-	(666)	(11)	(22)	(28)	(415)	(74)	(1,216)
Reclassification/adjustment	(2)	21	(408)	156	5	1	(10)	(3,876)	247	(3,866)
As of March 31, 2011	**383**	**1,474**	**5,122**	**423,440**	**1,380**	**272**	**2,613**	**24,046**	**3,618**	**462,348**
Additions	-	25	291	35,822	20	24	122	1,854	105	38,263
Disposals	-	-	(11)	(2,157)	(32)	(22)	(9)	(41)	(111)	(2,383)
Reclassification/adjustment	(31)	-	-	240	-	-	(5)	(204)	-	-
As of March 31, 2012	**352**	**1,499**	**5,402**	**457,345**	**1,368**	**274**	**2,721**	**25,655**	**3,612**	**498,228**
Accumulated Depreciation										
As of April 1, 2010	10	-	911	124,240	808	136	1,405	18,400	1,484	147,394
Charge for the year	5	-	244	37,543	154	44	366	3,182	399	41,937
Disposals	-	-	-	(87)	(10)	(18)	(19)	(421)	(55)	(610)
Reclassification/adjustment	-	-	(6)	21	(4)	-	(10)	(1,150)	-	(1,149)
As of March 31, 2011	**15**	**-**	**1,149**	**161,717**	**948**	**162**	**1,742**	**20,011**	**1,828**	**187,572**
Charge for the year	4	-	276	44,660	140	40	354	2,619	407	48,500
Disposals	-	-	(3)	(1,476)	(27)	(9)	(6)	(41)	(64)	(1,626)
Reclassification/adjustment	-	-	-	14	-	-	(5)	(9)	-	-
As of March 31, 2012	**19**	**-**	**1,422**	**204,915**	**1,061**	**193**	**2,085**	**22,580**	**2,171**	**234,446**
Net Carrying Amount										
As of March 31, 2010	375	1,226	4,221	242,942	431	99	905	6,553	1,720	258,472
As of March 31, 2011	368	1,474	3,973	261,723	432	110	871	4,035	1,790	274,776
As of March 31, 2012	333	1,499	3,980	252,430	307	81	636	3,075	1,441	263,782

* With respect to assets where the company has economic ownership, refer note 2.1 (v).

a. Freehold Land and Building includes ₹ 226 Mn (March 31, 2011 ₹ 368 Mn) and ₹ 559 Mn (March 31, 2011 ₹ 594 Mn) respectively, in respect of which registration of title in favour of the Company is pending

b. Building includes building on leashold land:

Gross Block ₹ 1,872 Mn (March 31, 2011 ₹ 1,838 Mn)

Depreciation charge for the year ₹ 237 Mn (March 31, 2011 ₹ 233 Mn)

Accumulated depreciation ₹ 947 Mn (March 31, 2011 ₹ 710 Mn)

Net book value ₹ 925 Mn (March 31, 2011 ₹ 1,128 Mn)

c. Reclassification/Adjustment includes reclass of assets between category of assets. During the year ended March 31, 2011, ₹ 3,866 Mn and ₹ 1,149 Mn gross block and accumulated depreciation respectively, has been reclassified from tangible assets to intangible assets.

d. Capital work in progress includes goods in transit ₹ 785 Mn (March 31, 2011 ₹ 1,174 Mn).

e. Refer note 9, 38 and 46 for ARO, jointly owned assets and assets given on operating lease.

15. INTANGIBLE ASSETS

(₹ Millions)

Particulars	Software *	Bandwith	Licences	Total
Cost				
As of April 1, 2010	480	14,584	21,195	36,259
Additions	1,765	3,809	103,282	108,856
Reclassification/adjustment	3,866	-	-	3,866
Other adjustments				
Borrowing costs			3,045	3,045
As of March 31, 2011	**6,111**	**18,393**	**127,522**	**152,026**
Additions	2,263	1,418	16,059	19,740
Disposals	-	(87)	-	(87)
Reclassification/adjustment	-	(1,380)	-	(1,380)
Other adjustments				
Borrowing costs			541	541
As of March 31, 2012	**8,374**	**18,344**	**144,122**	**170,840**
Accumulated Depreciation				
As of April 1, 2010	127	2,685	11,669	14,481
Charge for the year	1,305	1,199	1,675	4,179
Disposals	-	(14)	-	(14)
Reclassification/adjustment	1,151	(2)	-	1,149
As of March 31, 2011	**2,583**	**3,868**	**13,344**	**19,795**
Charge for the year	2,021	1,198	7,441	10,660
Reclassification/adjustment	-	(241)	-	(241)
As of March 31, 2012	**4,604**	**4,825**	**20,785**	**30,214**
Net Carrying Amount				
As of March 31, 2010	353	11,899	9,526	21,778
As of March 31, 2011	3,528	14,525	114,178	132,231
As of March 31, 2012	3,770	13,519	123,337	140,626

* With respect to assets where the company has economic ownership, refer note 2.1 (v).

a. The remaining amortisation period of licence fees as at March 31, 2012 ranges between 3 to 13 years for Unified Access Service Licences, 10 years for Long Distance Licences, 18.4 years for 3G spectrum fees.

b. Licences includes Net Block of 3G spectrum fees of ₹ 116,106 Mn as on March 31, 2012 (March 31, 2011 ₹ 105,795 Mn).

c. Capitalised borrowing costs
The borrowing cost capitalised during the year ended March 31, 2012 was ₹ 1,565 Mn (March 31, 2011 ₹ 4,314 Mn). The Company capitalized this borrowing cost in the intangible assets under development. The amount of borrowing cost included in intangible assets under development is ₹ 2,293 Mn (March 31, 2011 ₹ 1,269 Mn).

d. Reclassification/Adjustment includes reclass of assets between category of assets. During the year ended March 31, 2012, ₹ 1,380 Mn and ₹ 241 Mn gross block and accumulated depreciation respectively, has been reclassified from intangible assets to capital advances (refer note 17 Long-term loans and advances) in respect of deactivated bandwith links (March 31, 2011, ₹ 3,866 Mn and ₹ 1,149 Mn gross block and accumulated depreciation respectively, has been reclassified from tangible assets to intangible assets).

16. NON-CURRENT INVESTMENTS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Trade investments (at cost)		
Investment in Equity Instruments (Un-quoted)		
Investment in Subsidiaries		
1) Bharti Hexacom Limited : 174,999,980 (March 31, 2011 - 174,999,980) Equity shares of ₹ 10 each fully paid up	5,718	5,718
2) Bharti Airtel Services Limited : 100,000 (March 31, 2011 - 100,000) Equity shares of ₹ 10 each fully paid up	1	1
3) Bharti Airtel (USA) Limited : 300 (March 31, 2011 - 300) Equity shares of USD .0001 each fully paid up	509	509
4) Bharti Airtel (UK) Limited : 123,663 (March 31, 2011 - 123,663) Equity shares of GBP 1 each fully paid up	101	101
5) Bharti Airtel (Hongkong) Limited : 4,959,480 (March 31, 2011 - 4,959,480) Equity shares of HKD 1 each fully paid up	26	26
6) Bharti Airtel (Canada) Limited : 75,100 (March 31, 2011 - 75,100) Equity shares of Canadian Dollar (CAD) 1 each fully paid up	3	3
7) Network i2i Limited : 9,000,000 (March 31, 2011 - 9,000,000) Equity shares of USD 1 each fully paid up	5,316	5,316
8) Bharti Infratel Limited : 500,000,000 (March 31, 2011 - 500,000,000) Equity shares of ₹ 10 each fully paid up	82,182	82,182
9) Bharti Telemedia Limited : 9,690,000 (March 31, 2011 - 9,690,000) Equity shares of ₹ 10 each fully paid up	115	115
10) Bharti Airtel Lanka (Private) Limited : 525,596,420 (March 31, 2011 - 525,596,420) Equity shares of SLR 10 each fully paid up	2,049	2,049
11) Bharti Airtel Holdings (Singapore) Pte Limited : 1 (March 31, 2011 - 1) Equity share of Singapore Dollar (SGD) 1 each fully paid up and 338,642,771 (March 31, 2011 - 338,642,771) Equity shares of USD 1 each fully paid up	15,475	15,475
12) Bharti Airtel International (Mauritius) Ltd : 104,970,000 (March 31, 2011 - 100,470,000) Equity shares of USD 1 each fully paid up (refer note 35 (a))	4,847	4,646
13) Airtel M Commerce Services Limited : 50,000,000 (March 31, 2011 - 2,000,000) Equity shares of ₹ 10 each fully paid up (refer note 35 (c))	500	20
14) Bharti International (Singapore) Pte Ltd : 18,739,000 (March 31, 2011 - 14,039,000) Equity shares of USD 1 each fully paid up (refer note 35 (b))	851	640
15) Bharti Airtel International (Netherlands) B.V. : 18,735 (March 31, 2011 - 18,735) Equity shares of EURO 1 each fully paid up	1	1
Investment in Joint Ventures		
1) Bridge Mobile Pte Limited : 2,200,000 (March 31, 2011 - 2,200,000) Equity shares of USD 1 each fully paid up	92	92

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Investment in Associates		
1) Bharti Teleport Limited : 11,270,000 (March 31, 2011- 1,470,000) Equity shares of ₹ 10 each fully paid up (refer note 35 (o))	113	15
2) Alcatel-Lucent Network Management Services India Limited : 9,000,004 (March 31, 2011 - 9,000,004) Equity shares of ₹ 10 each fully paid up	90	90
Investment in other equity instrument		
1) IFFCO Kissan Sanchar Limited: 100,000 (March 31, 2011- 100,000) Equity Share of ₹ 10 each fully paid up	50	50
	118,039	117,049
Other investments (at cost)		
Investment in Government Securities - National Savings Certificate (Un-quoted): 18 units (March 31, 2011 - 18 units)	2	2
	118,041	117,051
Aggregate value of Unquoted Investments	118,041	117,051
Aggregate value of Quoted Investments	-	-
Aggregate Market value of Quoted Investments	-	-
Aggregate provision for diminution in value of investments	-	-

17. LONG-TERM LOANS AND ADVANCES

(₹ Millions)

Particulars	As of March 31, 2012		As of March 31, 2011	
Unsecured, considered good unless stated otherwise				
Capital Advances				
Considered good	1,495		185	
Considered doubtful	127		61	
Less: Provision for doubtful advances	(127)		(61)	
		1,495		185
Security Deposit				
Considered good	1,502		1,077	
Considered doubtful	372		517	
Less: Provision for doubtful deposit	(372)	1,502	(517)	1,077
Loans and advances to related parties (refer note 45) *		51,855		44,155
MAT Credit Entitlement		29,906		24,680
Others		59		715
		84,817		70,812

* Includes security deposit with related parties of ₹ 9,755 Mn (March 31, 2011 ₹ 9,088 Mn).

18. OTHER NON-CURRENT ASSETS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Unsecured, considered good, unless stated otherwise		
Non-current bank balances (refer note 22)	6	6
Advances *	10,372	2,441
Unamortised upfront fees and Deferred Premium	492	612
	10,870	3,059

* Advances represent payments made to various Government authorities under protest which is net of provision of ₹ 10,670 Mn (March 31, 2011 ₹ 6,845 Mn).

19. CURRENT INVESTMENTS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Current investments (at lower of cost and fair market value)		
Investment in Mutual Funds	5,307	1,050
Investment in Deposits and Bonds	30	29
	5,337	1,079
Aggregate value of Unquoted Investments	30	29
Aggregate value of Quoted Investments	5,307	1,050
Aggregate Market value of Quoted Investments	5,334	1,051
Aggregate provision for Diminution in value of investments	-	-

Details of investments required as per Revised Schedule VI of the Companies Act, 1956, are provided below

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2012 (No. of Units)	As of March 31, 2012 (Cost)	As of March 31, 2011 (No. of Units)	As of March 31, 2011 (Cost)
Investment in mutual funds (Quoted)				
Kotak Floater Short Term - Growth	-	-	18,722,034	300
IDFC Cash Fund - Super Inst Plan C-Growth	-	-	4,199,910	50
Tata Liquid Super High Inv. Fund - Appreciation	73,050	144	193,368	350
UTI Liquid Cash Plan Institutional - Growth Option	227,432	400	217,463	350
Axis Liquid Fund	90,627	107	-	-
Birla Sun Life Cash Plus - Instl. Prem. - Growth	3,344,423	572	-	-
L&T (DBS Chola) Liquid Fund - Super IP	523,248	762	-	-
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	5,695,150	901	-	-
IDBI Liquid Fund	47,104	54	-	-
JM High Liquidity Fund - Super Institutional Plan - Growth	46,527,132	776	-	-
JP Morgan India Liquid Fund	61,389,483	848	-	-
Peerless Liquid Fund Super IP	56,848,440	665	-	-
Religare Liquid Fund - Super Institutional Growth	52,837	78	-	-
Total	174,818,926	5,307	23,332,775	1,050
Investment in Deposits and Bonds (Unquoted)				
India Innovation Fund	1	2	1	1
7.30% REC Secured Bonds	30	28	30	28
Total	31	30	31	29

20. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Stock-In-Trade*	321	344
	321	344

* Net of provision for diminution in value ₹ 219 Mn (March 31, 2011 ₹ 191 Mn)

21. TRADE RECEIVABLES

(₹ Millions)

Particulars	As of March 31, 2012		As of March 31, 2011	
Unsecured, unless stated otherwise				
Receivables outstanding for a period exceeding six months				
Considered good	1,065		10,977	
Considered doubtful	8,289		8,312	
Less: Provision for doubtful receivables	(8,289)	1,065	(8,312)	10,977
Other receivables				
Considered good	20,280		3,642	
Considered doubtful	1,856		1,027	
Less: Provision for doubtful receivables	(1,856)	20,280	(1,027)	3,642
		21,345		14,619

Refer note 8(b) on security deposit

22. CASH AND BANK BALANCES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Cash and cash equivalents		
Balances with banks		
- On current accounts	1,120	1,017
- Deposits with original maturity of 3 months or less	1,950	14
Cheques on hand	341	201
Cash on hand	123	34
On unpaid dividend account	14	14
	3,548	1,280
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 month	1,264	52
Deposits with original maturity of more than 12 months	2	2
Margin money deposit	4	4
	1,270	58
Less: Amount disclosed under non-current assets (refer note 18)	6	6
	4,812	1,332

23. SHORT-TERM LOANS AND ADVANCES

(₹ Millions)

Particulars	As of March 31, 2012		As of March 31, 2011	
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (refer note 45)		85,211		12,295
Advances recoverable in cash or kind				
Considered good	9,749		9,197	
Considered doubtful	1,140		421	
Less: Provision for doubtful advances	(1,140)	9,749	(421)	9,197
Balances with customs, excise and other authorities		3,141		3,930
Advance Tax [net of provision for tax of ₹ NIL (March 31, 2011 ₹ 63,337 Mn)]		-		42
		98,101		25,464

24. OTHER CURRENT ASSETS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Unsecured, considered good, unless stated otherwise		
Unbilled Revenue	8,866	9,859
Interest accured on loan given to related parties	1,324	26
Unamortised upfront fees and Deferred Premium	254	377
Others	76	5
	10,520	10,267

25. CONTINGENT LIABILITIES

(i) Total Guarantees outstanding as at March 31, 2012 amounting to ₹ 27,158 Mn (March 31, 2011 - ₹ 25,140 Mn) have been issued by banks and financial institutions on behalf of the Company.

Corporate Guarantees outstanding as at March 31, 2012 amounting to ₹ 481,376 Mn (March 31, 2011 - ₹ 452,314 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies at no cost to the latter.

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

a) Claims against the Company not acknowledged as debt:

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
(i) Taxes, Duties and Other demands (under adjudication/appeal/dispute)		
-Sales Tax (see 25 (b) below)	552	3,906
-Service Tax (see 25 (c) below)	4,503	2,061
-Income Tax (see 25 (d) below)	14,224	6,570
-Customs Duty (see 25 (e) below)	2,198	2,198
-Stamp Duty	353	353
-Entry Tax (see 25 (f) below)	2,624	2,521
-Municipal Taxes	1	1
-Access Charges/Port Charges (see 25 (g) below)	4,519	3,710
-DoT demands (including 25 (h) below)	3,369	1,072
-Other miscellaneous demands	114	114
(ii) Claims under legal cases including arbitration matters (including 25 (i) below)	450	410
	32,907	22,916

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.

Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of License fee, based on the legal advice, the Company believes that the realized and unrealized foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange difference is not quantifiable and has not been included in the table above.

b) Sales tax

The claims for sales tax as at March 31, 2012 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. 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. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

c) Service tax

The service tax demands as at March 31, 2012 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,
iv. disallowance of cenvat credit used in excess of 20% limit, and
v. employee talk time.

d) 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, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges etc. The management believes that, based on legal advice, its tax positions will be sustained and accordingly, recognition of a provision for those tax positions will not be appropriate.

e) Custom duty

The custom authorities, in some states, demanded ₹ 2,198 Mn as at March 31, 2012 (March 31, 2011 - ₹ 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 custom duty. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

f) 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, 2012 was ₹ 2,624 Mn (March 31, 2011 - ₹ 2,521 Mn) included in Note 25 (ii) (a) above.

g) 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.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying 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 Aug 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 another issue with respect to Port Charges, 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.

h) 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 roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

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

iii) DoT demands also include the following contentious matters :-

a) In respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address/Identity in a mobility circle

b) In respect of invalid calling line identification (CLI) appearing in calls made to BSNL for certain promotional business calls in a mobility circle

c) In respect of alleged non compliance to certain license conditions related to renting/transfer of sim cards in a mobility circle

d) In respect of provision of IPLC services to a non-licensed entity which has directly sold the same to a customer located in India in Airtel Business segment.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

i) 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.

j) Bharti Mobinet Limited ('BMNL') litigation

Bharti Airtel is in litigation in various proceedings at various stages and in various forums with DSS Enterprises Private Limited (DSS) (which had 0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) on claims of specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to Bharti Airtel. In respect of one of the transactions with respect to purchase of 10.5% share of DSS in Skycell by Bharti, Crystal Technologies Private Limited ('Crystal'), an intermediary, 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 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) and a further 18% interest from date of award to date of payment. The Company appealed against the award. The Single Judge while dismissing the appeal reduced the rate of interest from 18% to 12%. The matter was appealed thereafter to Division Bench and finally to Supreme Court wherein the matter has been admitted on the condition that the amount as per Single Judge Order shall be secure in the SC, which has been done. The matter will now come up in due course.

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. The matter is to be reheard.

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 was granted by the Delhi High Court with respect to the commencement of arbitration proceedings. The stay was made absolute.

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, 2012.

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.

k) During January, 2012, DoT has issued a show cause notice to the Company for alleged short payment of Licence Fee of ₹ 2,920 Mn including interest for the year 2006-07 and 2007-08. The Company has submitted its reply against the same and is confident that there will be no amounts payable in this regard.

26. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 32,252 Mn as at March 31, 2012 (March 31, 2011 - ₹ 22,484 Mn).

b) Under the IT Outsourcing Agreement, the Company has estimated commitments to pay ₹ 17,452 Mn as at March 31, 2012 (March 31, 2011 - ₹ 20,717 Mn) comprising of assets and service charges. The amount represents total minimum commitement over the unexpired period of the contracts i.e. between 2-10 years, since it is not possible for the Company to determine the extent of assts and services under the contract over the unexpired period. However, the actual charges/ payments may exceed the above mentioned minimum commitment based on the terms of contract.

c) 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 ₹ NIL as at March 31, 2012 (March 31, 2011 ₹ 2,404 Mn) by November 24, 2018.

27. The Company has undertaken to provide financial support, to its subsidiaries and associates Bharti Airtel Services Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Hongkong) Limited, Bharti Telemedia Limited, Airtel M Commerce Services Limited, Bharti Airtel Lanka (Pvt) Limited and Bharti Airtel International (Netherlands) B.V. including its subsidiaries and associates, Alcatel-Lucent Network Management Services India Limited and Bharti Teleports Limited.

28. REVENUE FROM OPERATIONS

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Service Revenue		
- Voice revenue	323,312	296,846
- Others	92,513	83,097
Sale of products	213	234
	416,038	380,177

Note: Voice Revenue includes revenue from home network subscribers, roaming revenues and interconnect revenues

29. OTHER INCOME

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest income on bank deposits	43	113
Interest income on loan given to related parties	1,604	439
Dividend income on investments in subsidiaries	263	-
Net gain on sale of investments	1,015	1,550
Net foreign exchange gain	2,601	-
Other non-operating income		
Lease rentals	4	-
Liabilities/Provision written back	175	131
Miscellaneous income	542	979
	6,247	3,212

30. COST OF GOODS SOLD

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Cost of material consumed (including internal consumption)	(2,182)	(3,370)
Purchase of Stock-in-Trade	2,365	3,531
	183	161

31. EMPLOYEE BENEFIT EXPENSES

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and wages	11,893	11,923
Contribution to provident and other funds	552	529
Expenses on employee stock option plan	536	1,094
Staff welfare expenses	519	593
Others	415	373
	13,915	14,512

32. POWER AND FUEL, RENT AND OTHER EXPENSES

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Power and fuel		
Network	28,834	24,423
Others	893	810
	29,727	25,233
Rent		
Network	46,431	42,008
Others	1,283	1,329
	47,714	43,337
Other expenses		
Interconnect and Port charges	1,359	1,107
Insurance		
Network	313	330
Others	41	(5)
Installation	34	29
Repairs and Maintenance		
Plant and Machinery	16,630	12,302
Building	142	130
Others - Network	174	643
Others - Administrative	746	456
Leased Line and Gateway charges	1,357	1,244
Internet access and bandwidth charges	4,689	2,995
Advertisement and Marketing	5,586	7,215
Sales Commission, Customer verification and Content cost	20,643	18,902
Indirect Selling and Distribution	2,704	2,183
Sim card utilisation	1,915	2,227
Legal and Professional	1,615	1,081
Rates and Taxes	595	81
IT and Call Center Outsourcing	10,972	9,348
Traveling and Conveyance	997	946
Bad debts written off	2,745	3,870
Provision for doubtful debts and advances (refer note 50)	1,379	(1,688)
Provision for diminution in stock/ capital work in progress	335	229
Collection and Recovery Expenses	3,470	3,153
Loss on sale of Fixed Assets (net)	473	246
Printing and Stationery	638	685
Net foreign exchange loss	-	168
Miscellaneous Expenses		
Network	1,027	632
Sales and Marketing	1,256	1,276
Administrative	867	681
	82,702	70,466

Note: Miscellaneous Expenses (Sales and Marketing) above includes goodwill waivers which are other than trade discount, of ₹ 252 Mn (March 31, 2011 ₹ 220 Mn).

33. FINANCE COSTS

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest expense	11,086	1,408
Other borrowing cost	474	624
Loss from swap arrangements (net)	433	1,062
Applicable net (gain)/loss on foreign currency transactions and translation	1,969	147
	13,962	3,241

34. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation of tangible assets (refer note 14)	48,500	41,937
Amortisation of intangible assets (refer note 15)	10,660	4,179
	59,160	46,116

35. NEW OPERATIONS

a) The Company had invested ₹ 201 Mn in Bharti Airtel International (Mauritius) Limited, during the year ended March 31, 2012 and holds 100% of the total shareholding as on March 31, 2012.

b) The Company had invested ₹ 211 Mn in Bharti International (Singapore) Pte Limited, during the year ended March 31, 2012 and holds 50.91% of the total shareholding as on March 31, 2012.

c) The Company had invested ₹ 480 Mn in Airtel M Commerce Services Limited during the year ended March 31, 2012, out of which equity shares of ₹ 20 Mn were acquired from Bharti Airtel Services Limited and ₹ 280 Mn have been invested during the quarter ended March 31, 2012. The Company currently holds 100% of the total shareholding as on March 31, 2012.

d) On April 5, 2011, Airtel DTH Services Congo (RDC) S.p.r.l. 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.).

e) On April 5, 2011, Airtel Mobile Commerce Madagascar S.A. had been incorporated as a wholly owned subsidiary of Airtel Mobile Commerce B.V. (formerly known as Zap Mobile Commerce B.V., a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.). Airtel Mobile Commerce B.V. had invested ₹ 0.05 Mn in the newly incorporated company.

f) On April 5, 2011, Congo RDC Towers S.p.r.l. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.).

g) On May 17, 2011, Gabon 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) B.V.). Africa Towers N.V. had invested ₹ 1 Mn in the newly incorporated company.

h) On May 26, 2011, Airtel DTH Services Gabon 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 ₹ 0.7 Mn in the newly incorporated company.

i) On June 26, 2011, Bangladesh Infratel Networks Limited had been incorporated as a wholly owned subsidiary of Airtel Bangladesh Limited (a subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd). Airtel Bangladesh Limited had invested ₹ 0.06 Mn in the newly incorporated company.

j) On July 8, 2011, Aero Ventures Limited had been incorporated as a wholly owned subsidiary of Network i2i Limited (a wholly-owned subsidiary of Bharti Airtel Limited). Network i2i Limited had invested ₹ 48.93 towards subscription of 1 share of USD 1 in the newly incorporated company. During the year Network i2i Limited had made further investment of ₹ 2,410 Mn. On March 20, 2012, Network i2i Limited has sold its entire equity stake in Aero Ventures Limited to Malaysian Jet Services Sdn. Bhd., Malaysia for a total consideration of ₹ 2,543 Mn (USD 50.6 Mn).

k) On August 15, 2011, Bharti Airtel Cameroon B.V. (formerly known as Bharti Airtel Rwanda Holdings B.V.) had been incorporated as a wholly owned subsidiary of Bharti Airtel Africa B.V. (a wholly-owned subsidiary of Bharti Airtel International (Netherlands) B.V.). Bharti Airtel Africa B.V. had invested ₹ 1.15 Mn in the newly incorporated company.

l) On September 2, 2011, Airtel Rwanda Limited had been incorporated as the wholly owned subsidiary of Bharti Airtel Cameroon B.V. (formerly known as Bharti Airtel Rwanda Holdings B.V., a wholly owned subsidiary of Bharti Airtel Africa B.V.). Subsequently on September 15, 2011, Bharti Airtel Cameroon B.V. had transferred 100% of its holdings in the newly incorporated company to Zebrano (Mauritius) Limited (formerly known as Zain (IP) Mauritius Limited) (a wholly-owned subsidiary of Bharti Airtel Africa B.V.).

m) On September 8, 2011, Africa Towers Services Limited had been incorporated as the jointly owned entity of Africa Towers N.V. (a wholly-owned subsidiary of Bharti Airtel International (Netherlands) B.V.) and Bharti Airtel International (Netherlands) B.V.

n) On September 12, 2011, Rwanda Towers Limited had been incorporated as the wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.).

o) The Company has invested ₹ 98 Mn for its proportionate share in Bharti Teleports Limited, during the quarter ended March 31, 2012 and continues to hold 49% of the total shareholding as on March 31, 2012.

p) During the year ended March 31, 2012, the Company has completed the launch of 3G services in all its eligible licensed circles in India.

36. EARNINGS PER SHARE (BASIC AND DILUTED)

(₹ Millions, except per share data and as stated otherwise)

Particulars	As of March 31, 2012	As of March 31, 2011
Basic and Diluted Earnings per Share :		
Nominal value of equity shares (₹)	5	5
Profit attributable to equity shareholders (A)	57,300	77,169
Weighted average number of equity shares outstanding during the year (Nos. in Mn) (B)	3,798	3,798
Basic/Diluted earnings per Share (₹) (A/B)	15.09	20.32

37. EMPLOYEE BENEFITS

a) During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

i. Defined Contribution Plans

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Employer's Contribution to Provident Fund*@	552	528
Employer's Contribution to ESI*	-	1

* Included in Contribution to Provident and Other Funds (Refer Note 31)
@ Includes contribution to Defined Contribution Plan for Key Managerial Personnel.

ii. Defined Benefit Plans

For the year ended March 31, 2012:

(₹ Millions)

Particulars	Gratuity#	Leave Encashment#
Current service cost	199	146
Interest cost	80	49
Expected return on plan assets	(6)	-
Actuarial (gain)/loss	52	(41)
Total *	325	154

For the year ended March 31, 2011:

(₹ Millions)

Particulars	Gratuity#	Leave Encashment#
Current service cost	191	147
Interest cost	60	40
Expected return on plan assets	(6)	-
Actuarial (gain)/loss	119	112
Total *	364	299

Included in Salaries and Wages (Refer Note 31)
* Included in above is the charge towards Defined Benefit Plan for Key Managerial Personnel for Gratuity and Leave Encashment as these are provided on an actuarial basis for the Company as a whole.

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

For the year ended March 31, 2012:

Particulars	Gratuity	Leave Encashment
Discount rate	8.00%	8.00%
Expected rate of increase in compensation levels	9.00%	9.00%
Expected rate of return on plan assets	8.00%	N.A.
Expected average remaining working lives of employees (years)	23.80	23.80

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	24.22

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

For the year ended March 31, 2012:

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	**995**	**606**
Current service cost	**199**	**146**
Interest cost	**80**	**49**
Benefits paid	**(202)**	**(108)**
Actuarial (gain)/loss	**46**	**(41)**
Projected benefit obligation at year end	**1,119**	**652**
Change in plan assets :		
Fair value of plan assets at beginning of year	**76**	**-**
Expected return on plan assets	**6**	**-**
Actuarial gain/(loss)	**(6)**	**-**
Fair value of plan assets at year end	**76**	**-**
Net funded status of the plan	**(1,043)**	**(652)**
Net amount recognised	**(1,043)**	**(652)**

For the year ended March 31, 2011:

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	800	534
Current service cost	191	147
Interest cost	60	40
Benefits paid	(169)	(226)
Actuarial (gain)/loss	113	112
Projected benefit obligation at year end	995	607
Change in plan assets :		
Fair value of plan assets at beginning of year	76	-
Expected return on plan assets	6	-
Actuarial gain/(loss)	(6)	-
Fair value of plan assets at year end	76	-
Net funded status of the plan	(919)	(607)
Net amount recognised	(919)	(607)

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

(₹ Millions)

Particulars	Gratuity					Leave Encashment				
	As at March 31, 2012	**As at March 31, 2011**	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2012**	**As at March 31, 2011**	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2008**
Defined benefit obligation	**1,118**	995	800	658	446	652	607	534	478	465
Plan assets	**76**	76	76	76	65	-	-	-	-	-
Surplus/(deficit)	**(1,042)**	(919)	(724)	(582)	(380)	(652)	(607)	(534)	(478)	(465)
Experience adjustments on plan liabilities	**(57)**	(87)	(130)	(82)	(40)	51	(97)	(106)	(16)	(68)
Experience adjustments on plan assets	**(6)**	(6)	(6)	(5)	(5)	-	-	-	-	-

g) Movement in other long term employee benefits :

i) Movement in provision for Deferred Incentive Plan

(₹ Millions)

Particulars	**For the year ended March 31, 2012**	For the year ended March 31, 2011
Opening Balance	**74**	609
Addition during the year	**40**	128
Less : Utilized during the year	**(114)**	(663)
Closing Balance	**-**	74

ii) Long term service award provided by the Company as at March 31, 2012 is ₹ 119 Mn (March 31, 2011 ₹ 97 Mn).

38. 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, 2012

(₹ Millions, except as stated otherwise)

Cable Project	Total Contribution	Capital Work In Progress	WDV As of March 31, 2012	Share %
SMW-4	3,284	642	1,686	11.19%
AAG - Project	1,804		1,517	7.08%
EASSY - Project	119		108	1.00%
EIG - Project	2,412		2,235	7.09%
IMEWE- Project	2,800	31	2,557	12.79%
Unity - Project - Common & Others	1,287		1,149	10.00%
Unity - Project - Light Up	149		133	13.91%

For the Year ended March 31, 2011

(₹ Millions, except as stated otherwise)

Cable Project	Total Contribution	Capital Work In Progress	WDV As of March 31, 2011	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	7.09%
IMEWE- Project	2,800		2,744	12.79%
Unity - Project - Common & Others	1,237		1,170	10.00%
Unity - Project - Light Up	149		141	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, 2012 (March 31, 2011 USD 2.2 Mn, ₹ 92 Mn, ownership interest 10.00%).

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

(₹ Millions)

Particulars	As of March 31, 2012 (Unaudited)	As of March 31, 2011 (Audited)
Balance Sheet		
Reserves and surplus	(35)	(33)
Fixed assets (net)	2	3
Current assets		
Trade Receivables	12	10
Cash and bank balances	83	71
Current liabilities and provisions	15	14

(₹ Millions)

Particulars	As of March 31, 2012 (Unaudited)	As of March 31, 2011 (Audited)
Statement of profit and loss		
Service revenue	25	18
Expenses		
Operating expenses	16	13
Other expenses	7	4
Finance expenses/(income)	-	(2)
Depreciation	1	1
Profit/(Loss)	2	1

39. As at March 31, 2012, Bharti Airtel Employee's Welfare Trust ('the Trust') holds 2,456,750 equity shares (of face value of ₹ 5 each) (March 31, 2011 2,964,623 equity shares) of the Company, out of which 1,792,383 equity shares were issued at the rate of ₹ 25.68 per equity share fully paid up and 664,367 equity shares (of face value of ₹ 5 each) are purchased from open market at average rate of ₹ 354.57 per equity share.

40. 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 ₹ 31,060 Mn (March 31, 2011 ₹ 24,969 Mn).

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited is ₹ 11,047 Mn (March 31, 2011 ₹ 9,697 Mn at LIBOR + 4.5% interest rate). Effective February 10, 2012, no interest has been charged with an option for equity conversion.

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.7% interest rate is ₹ 50,686 Mn (March 31, 2011 ₹ 11,654 Mn).

(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, 2011 ₹ 90 Mn).

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at 13% p.a. interest rate is ₹ 332 Mn (March 31, 2011 ₹ 210 Mn).

(f) Loan and advance in the nature of loan given to Bharti Airtel International (Mauritius) Limited at LIBOR + 1.7% interest rate is ₹ 9,428 Mn (March 31, 2011 NIL).

(g) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.7% interest rate is ₹ 24,939 Mn (March 31, 2011 NIL).

(h) Loan and advance in the nature of loan given to Bharti Airtel Services Limited at nil interest is ₹ 56 Mn (March 31, 2011 ₹ 56 Mn).

(i) Loan and advance in the nature of loan given to Bharti Airtel (USA) Limited at 7.33% interest rate is ₹ 53 Mn (March 31, 2011 ₹ 45 Mn).

Refer note 45 for closing amount outstanding for the year for the above entities.

41. EXPENDITURE/EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Expenditure		
On account of :		
Technical Know-how	-	-
Interest	336	768
Professional & Consultation Fees	8	50
Travelling (Net of Reimbursement)	-	(14)
Roaming Charges (Incl. Commission)	2,029	2,280
Membership & Subscription	15	24
Staff Training & Others	23	56
Network Services	207	1,336
Annual Maintenance	1,324	955
Bandwidth Charges	2,892	1,311
Access Charges	9,915	10,493
Software	-	14
Marketing	515	1,247
Content Charges	145	61
Directors Commission and Sitting Fees	-	27
Agency Fees & Premium fees	60	74
Income Tax	135	83
Total	**17,604**	18,765
Earnings		
Service Revenue	20,048	17,935
Management Charges	74	221
Total	**20,122**	18,156

42. CIF VALUE OF IMPORTS

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Capital Goods	17,628	19,105
Total	17,628	19,105

43. AUDITORS' REMUNERATION

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(i) Audit Fee*	60	55
(ii) Other services *	6	16
(iii) Reimbursement of Expenses *	5	5
Total	71	76

* Excluding Service Tax

44. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Amounts due to micro, and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 aggregate to ₹ 25 Mn (March 31, 2011 - ₹ 22 Mn) based on the information available with the Company and the confirmation received from the creditors till the year end.

(₹ Millions)

Sr.	Particulars	March 31, 2012	March 31, 2011
1	The principal amount and the interest due thereon [₹ NIL (March 31, 2011 – ₹ 0.25 Mn)] remaining unpaid to any supplier as at the end of each accounting year	25	22
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
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	-	-

45. 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 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
Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel International (Mauritius) Limited
Bharti International (Singapore) Pte Ltd
Airtel Bangladesh Limited
(subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel International (Netherlands) B.V.
Bangladesh Infratel Networks Limited (incorporated on June 26, 2011) *
Aero Ventures Limited (incorporated on July 8, 2011) (ceased to be a subsidiary on March 20, 2012) *
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.
Africa Towers Services Limited (incorporated on September 8, 2011) *
Airtel (Ghana) Limited
Airtel (SL) Limited
Airtel Burkina Faso S.A.#
Airtel Congo S.A#
Airtel DTH Services (K)
Airtel DTH Services (Sierra Leone) Limited
Airtel DTH Services Burkina Faso S.A.
Airtel DTH Services Congo (RDC) (incorporated on April 5, 2011) *
Airtel DTH Services Congo S.A.
Airtel DTH Services Gabon S.A (incorporated on May 26, 2011)*
Airtel DTH Services Ghana Limited
Airtel DTH Services Madagascar S.A.
Airtel DTH Services Malawi Limited
Airtel DTH Services Niger S.A.
Airtel DTH Services Nigeria Limited
Airtel DTH Services T.Chad S.A.

Airtel DTH Services Tanzania Limited
Airtel DTH Services Uganda Limited
Bharti DTH Services Zambia Limited
Airtel Madagascar S.A.
Airtel Malawi Limited
Airtel Mobile Commerce (SL) Limited (Formerly Zap Trust Company (SL) Limited)
Airtel Mobile Commerce B.V. (Formerly Zap Mobile Commerce B.V.)
Airtel Mobile Commerce Burkina Faso S.A. (Formerly Zap Mobile Commerce Burkina Faso S.A.) *
Airtel Mobile Commerce Ghana Limited (Formerly Zap Trust Company Limited (Ghana))
Airtel Mobile Commerce Holdings B.V.(Formerly Zap Holdings B.V.)
Airtel Mobile Commerce Madagascar (S.A.) (Formerly Airtel Money Mobile Commerce Madagascar) *
Airtel Mobile Commerce Malawai Limited (Formerly Zap Trust Company Limited (Malawi)
Airtel Mobile Commerce Tanzania Limited (Formerly Zap Trust Company Tanzania Limited)
Airtel Mobile Commerce Tchad SARL (Formerly Zain Mobile Commerce Tchad SARL)
Airtel Mobile Commerce Uganda (Formerly Zap Trust Company Uganda Limited)
Airtel Money Niger (Formerly Zap Niger S.A (Niger)
Airtel Money (RDC) S.p.r.l *
Airtel Networks Kenya Limited #
Airtel Networks Limited
Airtel Rwanda Limited (incorporated on September 2, 2011) *
Airtel Tanzania Limited #
Airtel Towers (Ghana) Limited
Airtel Towers S.L. Company Limited
Airtel Uganda Limited
Airtel (Seychelles) Limited (Formerly Telecom Seychelles 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 Developers Forum Limited (Formerly Zain Developers Limited)
Bharti Airtel DTH Holdings B.V.
Bharti Airtel Gabon Holdings B.V. #
Bharti Airtel Ghana Holdings B.V. #
Bharti Airtel Kenya B.V. #
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Madagascar Holdings B.V. #
Bharti Airtel Malawi Holdings B.V. #
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V. #
Bharti Airtel Nigeria B.V. #
Bharti Airtel Nigeria Holdings B.V.
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel Cameroon B.V. (Formerly Bharti Airtel Rwanda Holdings B.V.) *
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Services B.V.
Bharti Airtel Sierra Leone Holdings B.V. #
Bharti Airtel Tanzania B.V. #
Bharti Airtel Uganda Holdings B.V. #
Bharti Airtel Zambia Holdings B.V. #
Burkina Faso Towers S.A.
Celtel (Mauritius) Holdings Limited
Celtel Cameroon SA
Celtel Congo RDC S.a.r.l. #
Celtel Gabon S.A.
Celtel Niger S.A.
Celtel Tchad S.A. #
Celtel Zambia plc
Channel Sea Management Co Mauritius Limited
Congo (RDC) Towers S.p.r.l. (incorporated on April 5, 2011) *
Congo Towers S.A.
Gabon Towers S.A. (incorporated on May 17, 2011) *
Indian Ocean Telecom Limited

Kenya Towers S.A.
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Mobile Commerce Gabon S.A
Montana International
MSI-Celtel Nigeria Limited
Niger Towers S.A.
Partnership Investments Sprl
Rwanda Towers Limited (incorporated on September 12, 2011) *
Société Malgache de Telephonie Cellulaire SA
Tanzania Towers S.A.
Tchad Towers S.A.
Towers Support Nigeria Limited
Uganda Towers Limited
Zambian Towers Limited
Zap Trust Company Nigeria Limited
Zebrano (Mauritius) Limited (Formerly Zain (IP) Mauritius Limited)
ZMP Limited (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 their 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 Softbank Holdings Pte 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 35 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 2011-12

(₹ 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	Airtel Bangladesh Limited	Bharti Telemedia Limited	Bharti Infratel Limited (**)	Bharti Airtel Lanka (Private) Limited (@)
Purchase of fixed assets/ bandwidth	(133)	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	485	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	(20)	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	5,708	-	115	7	1	2	11	-	397	131	171
Receiving of services	(1,828)	(2,457)	(217)	(31)	-	(10)	-	(9)	(48)	(15,063)	(82)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	(10,849)	-
Common cost allocation charge's Received	857	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	1,070	3,835	-	-	-	-	-	-	162	2	-
Fund received/Expenses incurred on behalf of the Company	(778)	(4,707)	(11)	-	-	-	-	-	(420)	-	-
Employee related expenses incurred on behalf of others	65	279	-	-	-	-	-	-	281	15	-
Employee related expenses incurred on behalf of the Company	(5)	(27)	-	-	-	-	-	-	(83)	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	54	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received***	-	-	-	-	-	-	-	-	-	(5,360)	-
Loan given	-	-	-	-	-	-	-	-	5,707	-	1,349
Subscription to share capital (Refer Note 35)	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	(1,055)	-
Interest received	303	-	4	-	-	-	-	-	-	-	407
Dividend Paid/(Received)	(262)	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	(13,259)	-
Trade Payables	-	-	-	(280)	-	-	-	(5)	-	(1,702)	-
Loans and Advances (Refer note 40)	-	785	51	-	-	-	-	-	30,945	2,512	11,454
Trade Receivables	270	281	698	-	23	2	11	-	24	-	55
Total Balance	270	1,066	749	(280)	23	2	11	(5)	30,969	(12,449)	11,509
Maximum Loans and Advance Outstanding during the year		56	53						31,060		11,047
Guarantees and Collaterals (Refer note 25 (i))	1,656	103						5500	663		

** Refer Note 47(viii)

*** Net of repayment of loan of ₹ 6100 Mn

@ Loan and advances also includes interest receivables

Related Party Transaction for 2011-12

(₹ 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. (**) (@)	Airtel (Seychelles) Limited	Airtel (Ghana) Limited	Airtel Networks Limited	Other African Subsidiaries
Purchase of fixed assets/ bandwidth	(377)	-	-	-	-	(144)	-	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	1,421	10	-	-	-	94	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	103	-	-	-	-	501	72	41	139	378	311
Receiving of services	(1,130)	(6)	(2)	(21)	-	(1,114)	-	(44)	(95)	(103)	(133)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	8	268	-	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	(2)	-	-	-	(142)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	91	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	(6)	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	9,055	24,939	39,032	-	-	-	-
Subscription to share capital (Refer Note 35)	-	460	-	-	201	211	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	126	301	464	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	(65)	-	-	-	(26)	-	-	-
Loans and Advances (Refer note 40)	-	-	-	-	9,181	25,240	51,176	-	-	-	-
Trade Receivables	637	300	-	-	-	897	56	-	111	287	181
Total Balance	**637**	**300**	**-**	**(65)**	**9,181**	**26,137**	**51,232**	**(26)**	**111**	**287**	**181**
Maximum Loans and Advance											
Outstanding during the year					9,428	24,939	50,686				
Guarantees and Collaterals (Refer note 25 (i))						82,365	391,130				

** Refer Note 47(viii)

@ Loan and advances also includes interest receivables

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Associates		Joint Venture/Joint Venture of Subsidiary			Entities where key management personnel and its relatives exercise significant influence						
	Alcatel-Lucent Network Management Services India Ltd.	Bharti Teleport Limited	Forum I 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	(2,392)	-	-	-	-	-	(5)	(179)	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	131	5	-	29	-	6	3	11	-	-	-	2
Receiving of services	(2,194)	-	(35)	(25,385)	(20)	-	(673)	(84)	-	(383)	(183)	-
Reimbursement of energy expenses	-	-	-	(14,314)	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	1	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	8	-	-	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	15	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	163	-	-	-	-	-	70	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-	-
Loan given****	-	(38)	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer Note 35)	-	98	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	14	33	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	266	-	-	-
Outstanding balances at year end												
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	(1,006)	(28)	(7)	(6,164)	(6)	-	-	(21)	-	-	-	-
Loans and Advances (Refer note 40)	90	172	-	5,720	-	-	-	-	-	315	94	-
Trade Receivables	-	-	-	-	-	2	5	-	-	6	4	-
Total Balance	**(916)**	**144**	**(7)**	**(444)**	**(6)**	**2**	**5**	**(21)**	**-**	**321**	**98**	**-**
Maximum Loans and Advance												
Outstanding during the year	90	332										
Guarantees and Collaterals (Refer note 25 (i))												

**** Net of repayment of loan received from Bharti Teleports Limited of ₹ 235 Mn

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence									
	Bharti AXA Life Insurance Company Limited	Bharti Founda-tion	Bharti Airtel Employees Welfare Trust	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited	Bharti AXA General Insurance Company Limited	Mehrauli Realty and Consultants Limited	Nile Tech Limited
Purchase of fixed assets/ bandwidth	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/ retirement of bandwidth	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-
Rendering of services	1	-	-	26	3	-	36	-	-	-
Receiving of services	-	-	-	(1)	-	(477)	(16)	(3)	-	(510)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	13	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	(535)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	3	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	(12)	(1)	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-
Donation	-	105	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	(539)	-	-	-	-	-		-
Security deposit/Advances paid	-	-	546	-	-	-	-	-	5	1
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer Note 35)	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end										
Borrowings	-	-	-	-	-	-	-	-		-
Trade Payables	-	-	-	-	-	-	-	-	(2)	-
Loans and Advances (Refer note 40)	-	-	271	-	-	36	-	5	-	343
Trade Receivables	-	-	-	7	175	-	5	-		-
Total Balance	**-**	**-**	**271**	**7**	**175**	**36**	**5**	**5**	**(2)**	**343**
Maximum Loans and Advance										
Outstanding during the year										
Guarantees and Collaterals (Refer note 25 (i))										

Related Party Transaction for 2011-12

(₹ 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	1,047	-	-	-	-	-
Receiving of services	(450)	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	(25)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-
Remuneration	-	-	-	213	(11)	40
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 35)	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Dividend Paid/(Received)	-	591	1,728	-	-	-
Outstanding balances at year end						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	(113)	-	(13)
Loans and Advances (Refer note 40)	-	-	-	-	-	-
Trade Receivables	361	-	-	-	-	-
Total Balance	**361**	**-**	**-**	**(113)**	**-**	**(13)**
Maximum Loans and Advance Outstanding during the year						
Guarantees and Collaterals (Refer note 25 (i))						

$ Represents remuneration provided in earlier year reversed in the F.Y 11-12

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	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)	-
Common cost allocation charge's Received	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	-	-	-	-	-	-	227	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	(412)	-
Interest received	(11)	-	3	-	-	-	-	-	-	-	-	399
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end												
Borrowings	-	-	-	-	-	-	-	-	-	-	(7,800)	-
Trade Payables	-	-	-	(291)	-	(83)	-	-	(3)	-	(1,716)	-
Loans and Advances	-	758	45	-	-	-	-	-	-	24,969	2,458	9,697
Trade Receivables	459	218	589	-	19	-	-	-	-	-	-	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	

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.	Airtel 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	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
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	-	20	-	-	4,636	629	1	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	26	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-		-	-	-	-	-
Trade Payables	(3,838)	-	(50)	(94)	-	(4,838)	-	(19)	-	-	-
Loans and Advances	-	-	-	-	-	-	11,654	-	-	-	-
Trade Receivables	-	20	-	-	-	-	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				

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					
	Alcatel-Lucent Network Management Services India Ltd.	Bharti Teleports Limited	Forum I 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
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	-	-	-
Receiving of services	(1,827)	-	(41)	(23,311)	(13)	-	(570)	(97)	-	(391)	(155)
Reimbursement of energy expenses	-	-	-	(11,625)	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	5	17	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	259	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	(795)	-	-	(5,131)	(4)	-	(84)	-	-	-	-
Loans and Advances	90	210	-	5,557	-	-	-	-	-	245	94
Trade Receivables	-	17	-	-	-	2	-	2	-	-	-
Total Balance	**(705)**	**227**	**-**	**426**	**(4)**	**2**	**(84)**	**2**	**-**	**245**	**94**
Maximum Loans and Advance											
Outstanding during the year	90	210									
Guarantees and Collaterals											

Related Party Transaction for 2010-11

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence										
	Field Fresh Foods Private Limited	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	6	2	-	-	53	2	-	35	-	-	-
Receiving of services	-	-	-	-	(2)	-	(346)	(14)	(2)	-	(514)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	-	264	-	-	66	-	-	-	343
Trade Receivables	1	-	-	-	18	105	-	19	-	-	-
Total Balance	**1**	**-**	**-**	**264**	**18**	**105**	**66**	**19**	**-**	**-**	**343**
Maximum Loans and Advance Outstanding during the year											
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	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-
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	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Dividend Paid	-	591	1,726	-	-	1
Outstanding balances at year end						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	(179)	(13)	(15)
Loans and Advances	-	-	-	-	-	-
Trade Receivables	421	-	-	-	-	-
Total Balance	**421**	**-**	**-**	**(179)**	**(13)**	**(15)**
Maximum Loans and Advance						
Outstanding during the year						
Guarantees and Collaterals						

46. OPERATING LEASE - AS A LESSEE

The lease rentals charged during the year for cancelable/non-cancelable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Lease Rentals [Excluding Lease Equalisation Reserve - ₹ 2,353 Mn (2010-11 ₹ 2,747 Mn)]	45,361	40,590
Obligations on non cancelable leases :		
Not later than one year	31,687	42,359
Later than one year but not later than five years	111,625	103,352
Later than five years	145,862	162,335
Total	289,174	308,046

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-cancelable lease arrangement to provide approximately 108,860 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 statement of profit and loss 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, 2012 and accordingly, disclosures required by AS 19 are not provided.

ii) The future minimum lease payments receivable are:

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Not later than one year	164	123
Later than one year but not later than five years	698	434
Later than five years	813	323
Total	1,675	880

47. 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) The following table provides an overview of all existing share option plans of the Company:

Entity	Scheme	Plan	Year of issuance	Share 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	21.25	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	5,052	1 - 5	7	5.52	Equity settled
Bharti Airtel	Scheme 2005	2005 Plan	2005	11,260	1 - 4	7	237.06	Equity settled
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	8,817	1 - 3	7	352.13	Equity settled
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	1,691	3 - 4	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU)	2010	3,616	1 - 5	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Long term incentive plan (LTIP)	2011	422	1 - 3	7	5.00	Equity settled

(This space is intentionally left blank)

(v) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

Particulars	As of March 31, 2012		As of March 31, 2011	
	Number of stock options (Shares in Thousands)	Weighted average exercise price (₹)	Number of stock options (Shares in Thousands)	Weighted average exercise price (₹)
2001 Plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	16	60.00
Granted	-	-	-	-
Exercised*	-	-	16	60.00
Forfeited	-	-	-	-
Outstanding at the year end	-	-	-	-
Exercisable at end of year	-	-	-	-
2004 Plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	170	35.00
Granted	-	-	-	-
Exercised*	-	-	(170)	35.00
Forfeited	-	-	-	-
Outstanding at the year end	-	-	-	-
Exercisable at end of year	-	-	-	-
Superpot Plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	12	-
Granted	-	-	-	-
Exercised*	-	-	(4)	-
Forfeited	-	-	(8)	-
Outstanding at the year end	-	-	-	-
Exercisable at end of year	-	-	-	-
2006 Plan				
Number of shares under option:				
Outstanding at beginning of year	2,057	5.51	2,096	5.50
Granted	239	5.00	867	5.00
Exercised*	(594)	5.00	(554)	5.00
Forfeited	(258)	5.00	(352)	5.00
Outstanding at the year end	1,445	5.73	2,057	5.51
Exercisable at end of year	521	6.97	832	6.27
2005 Plan				
Number of shares under option:				
Outstanding at beginning of year	3,468	309.34	4,515	292.34
Granted	28	156.50	-	-
Exercised #	(597)	166.80	(568)	148.73
Forfeited	(297)	388.72	(479)	339.29
Outstanding at the year end	2,602	331.48	3,468	309.34
Exercisable at end of year	2,578	333.38	2,816	280.68

Particulars	As of March 31, 2012		As of March 31, 2011	
	Number of stock options (Shares in Thousands)	Weighted average exercise price (₹)	Number of stock options (Shares in Thousands)	Weighted average exercise price (₹)
2008 Plan & Annual Grant Plan (AGP)				
Number of shares under option:				
Outstanding at beginning of year	5,915	355.16	7,031	354.94
Granted	34	373.38	-	-
Exercised #	(246)	329.61	(11)	336.50
Forfeited	(869)	359.35	(1,105)	353.96
Outstanding at period end	4,835	355.84	5,915	355.16
Exercisable at end of period	4,224	349.26	3,043	345.70
PSP 2009 plan				
Number of shares under option:				
Outstanding at beginning of year	1,456	5.00	1,282.00	5.00
Granted	40	5.00	328	5.00
Exercised #	-	-	-	-
Forfeited	(240)	5.00	(154)	5.00
Outstanding at period end	1,256	5.00	1,456	5.00
Exercisable at end of period	-	-	-	-
Scheme 2005 - LTIP Plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	422	5.00	-	-
Exercised #	-	-	-	-
Forfeited	(16)	5.00	-	-
Outstanding at period end	406	5.00	-	-
Exercisable at end of period	-	-	-	-
Special ESOP & RSU Plan				
Number of shares under option:				
Outstanding at beginning of year	2,975	5.00	-	-
Granted	361	5.00	3,255	5.00
Exercised #	(578)	5.00	-	-
Forfeited	(395)	5.00	(280)	5.00
Outstanding at period end	2,362	5.00	2,975	5.00
Exercisable at end of period	418	5.00	-	-

* 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.

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(vi) 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	Wtd Avg Fair Value	Options	Wtd Avg Share Price
Bharti Airtel	2001 Plan	-	-	-	-	-	-
Bharti Airtel	2004 Plan	-	-	-	-	-	-
Bharti Airtel	Superpot	-	-	-	-	-	-
Bharti Airtel	2006 Plan	1,445	1.17 to 6.86	239	347.40	594	376.35
Bharti Airtel	2005 Plan	2,602	0.44 to 6.10	28	246.98	597	376.88
Bharti Airtel	2008 Plan Annual grant plan	4,835	3.25 to 6.17	34	170.18	246	378.51
Bharti Airtel	PSP 2009 Plan	1,256	4.34 to 6.34	40	432.50	-	-
Bharti Airtel	LTIP Plan	406	6.35	422	415.47	-	-
Bharti Airtel	Special ESOP & RSU	2,362	5.01 to 6.10	361	355.13	578	386.44

(vii) 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, 2012	For the year ended March 31, 2011
Risk free interest rates	7.76 to 8.63%	7.14% to 8.84%
Expected life	48 to 60 months	48 to 72 months
Volatility	41.07 to 42.09%	37.26% to 46.00%
Dividend yield	0.28%	0.39%
Weighted average share price on the date of grant	361.83 to 424.11	256.95 to 368.00

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.

(viii) 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.

48. FORWARD CONTRACTS & 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, 2012:

(₹ Millions)

Sr No	Particulars	Notional Value (March 31, 2012)	Notional Value (March 31, 2011)
A	For Loan related exposures*		
	a) Forwards	6,744	13,119
	b) Options	18,212	29,922
	c) Interest Rate Swaps (Principal amount of the contract)	1,279	8,501
	Total	26,235	51,542
B	For Trade related exposures*		
	a) Forwards	2,880	1,558
	b) Options	1,843	1,880
	Total	4,723	3,438
C	Unhedged foreign currency borrowing	19,665	21,840
D	Unhedged foreign currency payables	14,181	16,480
E	Unhedged foreign currency receivables	89,416	12,231

*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 reversal of losses for earlier period of ₹ 82 Mn (including losses of ₹ 156 Mn towards embedded derivatives) for the year ended March 31, 2012 [recorded losses of ₹ 126 Mn for the year ended March 31, 2011]

49. a) The Board of Directors, in its meeting held on May 5, 2011, recommended a final dividend of ₹ 1.00 per equity share of ₹ 5.00 each (20% of face value) for financial year 2010-11, which was duly approved by the shareholders of the Company in the Annual General Meeting held on September 1, 2011

b) Net Dividend remitted in foreign exchange:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Number of non-resident shareholders	5	9
Number of equity shares held on which dividend was due (Nos. in Million)	862	860
Amount remitted (₹ in Millions)	862	860
Amount remitted (USD in Millions)	19	18

Dividend of ₹ 1 per share (Face value per share ₹ 5) was declared for the year 2011-12.
Dividend of ₹ 1 per share (Face value per share ₹ 5) was declared for the year 2010-11.

50. MOVEMENT IN PROVISION FOR DOUBTFUL DEBTS/ ADVANCES

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Balance at the beginning of the year	10,277	11,965
Addition - Provision for the year	4,124	2,182
Application - Write off of bad debts (net off recovery)	(2,745)	(3,870)
Balance at the end of the year	11,656	10,277

51. During the year ended March 31, 2012, a fire incident had occurred at one of the premises of the Company. The insurance company has been notified about the loss and a preliminary survey has been carried out. The Company is in the process of completing the necessary documentation for claiming the insurance amount. The Company is confident of recovering the full value of the loss amount from the insurer.

52. 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.

53. Previous year figures have been regrouped/reclassified where necessary to conform to current year's classification.

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") as at March 31, 2012, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 ₹ 66,935 million as at March 31, 2012, the total revenue (including recovery of power and fuel charges) of ₹50,859 million and the cash inflows amounting to ₹ 206 million for the year then ended, 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 as of March 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

For S.R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No.: 93283

Date: May 2, 2012
Place: New Delhi

Consolidated income statement

(₹ Millions, except per share data)

Particulars	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Revenue	6	714,508	595,383
Other operating income		550	635
Operating expenses	8	(477,935)	(395,300)
		237,123	200,718
Depreciation and amortisation	9	(133,681)	(102,066)
Profit from operating activities		103,442	98,652
Share of results of associates	15	(74)	(57)
Profit before finance income, cost and tax		103,368	98,595
Finance income	10	2,643	3,536
Finance costs	10	(40,828)	(25,349)
Profit before tax		65,183	76,782
Income tax expense	11	(22,602)	(17,790)
Net profit for the year		42,581	58,992
attributable to :			
Equity holders of the parent		42,594	60,467
Non-controlling interests		(13)	(1,475)
Net profit		42,581	58,992
Earnings per share	36		
Basic, profit attributable to equity holders of parent		11.22	15.93
Diluted, profit attributable to equity holders of parent		11.22	15.93

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net profit for the year	42,581	58,992
Other comprehensive income		
Exchange differences on translation of foreign operations	(20,410)	12,681
Income tax effect	-	-
Other comprehensive income for the year, net of tax	(20,410)	12,681
Total comprehensive income for the year, net of tax	22,171	71,673
attributable to :		
Equity holders of the parent	22,550	73,661
Non-controlling interests	(379)	(1,988)
Total Comprehensive Income	22,171	71,673

For S. R. Batliboi & Associates
Firm Registration No: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place : New Delhi
Date : May 2, 2012

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)

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Consolidated statement of financial position

(₹ Millions)

Particulars	Notes	As of March 31, 2012	As of March 31, 2011
Assets			
Non-current assets			
Property, plant and equipment	12	674,932	651,426
Intangible assets	13	660,889	637,317
Investment in associates	15	24	-
Derivative financial assets	16	2,756	1,998
Other financial assets	17	17,086	7,930
Other non - financial assets	18	15,568	9,255
Deferred tax asset	11	51,277	45,061
		1,422,532	1,352,987
Current assets			
Inventories	19	1,308	2,139
Trade and other receivables	20	63,735	54,929
Derivative financial assets	16	2,137	2,682
Prepayments and other assets	21	32,621	30,504
Income tax recoverable		9,049	5,280
Short term investments	22	18,132	6,224
Other financial assets	23	802	744
Cash and cash equivalents	24	20,300	9,575
		148,084	112,077
Total assets		1,570,616	1,465,064
Equity and liabilities			
Equity			
Issued capital		18,988	18,988
Treasury shares		(282)	(268)
Share premium		56,499	56,499
Retained earnings		395,682	357,446
Foreign currency translation reserve		(6,026)	14,018
Other components of equity	30	41,252	40,985
Equity attributable to equity holders of parent		506,113	487,668
Non-controlling interest		27,695	28,563
Total equity		533,808	516,231
Non-current liabilities			
Borrowings	25	497,154	532,338
Deferred revenue		2,892	8,700
Provisions	26	7,240	6,085
Derivative financial liabilities	16	401	151
Deferred tax liability	11	11,621	12,487
Other financial liabilities	27	23,076	13,856
Other non - financial liabilities	28	5,551	5,371
		547,935	578,988
Current liabilities			
Borrowings	25	193,078	84,370
Deferred revenue		43,282	30,599
Provisions	26	1,290	1,180
Other non - financial liabilities	28	10,811	10,053
Derivative financial liabilities	16	166	317
Income tax liabilities		7,596	3,642
Trade & other payables	31	232,650	239,684
		488,873	369,845
Total liabilities		1,036,808	948,833
Total equity and liabilities		1,570,616	1,465,064

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 2, 2012

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)

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Consolidated statement of changes in equity

(₹ Millions, except as stated otherwise)

Particulars	Attributable to equity holders of the Parent								Non Controlling Interest	Total equity
	Issued capital Shares (in '000s)	Issued capital Par value of ₹ 5 each	Treasury shares	Share premium	Retained earnings	Foreign currency translation reserve	Other components of equity (Note 30)	Total		
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)	-	-	-	-	-	13,194	-	13,194	(513)	12,681
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**60,467**	**13,194**	**-**	**73,661**	**(1,988)**	**71,673**
Stock based compensation	-	-	-	-	-	-	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 7)	-	-	-	-	-	-	-	-	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**
Net income/(loss) for the year	-	-	-	-	42,594	-	-	42,594	(13)	42,581
Other comprehensive income/(loss)	-	-	-	-	-	(20,044)	-	(20,044)	(366)	(20,410)
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**42,594**	**(20,044)**	**-**	**22,550**	**(379)**	**22,171**
Stock based compensation	-	-	-	-	-	-	884	884	40	924
Reclassification to provision for payment of stock option (ref note 30)	-	-	-	-	-	-	(121)	(121)	(20)	(141)
Transferred from Debenture redemption reserve	-	-	-	-	32	-	(32)	-	-	-
Transferred from Revaluation reserve	-	-	-	-	21	-	(21)	-	-	-
Purchase of treasury stock from market	-	-	(544)	-	-	-	-	(544)	-	(544)
Exercise of treasury stock	-	-	530	-	-	-	(343)	187	-	187
Transaction with Non-Controlling Interest (ref note 7)	-	-	-	-	-	-	(100)	(100)	100	-
Change in Non-Controlling interest arising on a business combination (ref note 7)	-	-	-	-	-	-	-	-	(715)	(715)
Dividend paid to Company's shareholders (refer note 30)	-	-	-	-	(4,411)	-	-	(4,411)	-	(4,411)
Dividend paid to Non-Controlling Interest	-	-	-	-	-	-	-	-	(157)	(157)
Others (ref note 7)	-	-	-	-	-	-	-	-	263	263
As of March 31, 2012	**3,797,531**	**18,988**	**(282)**	**56,499**	**395,682**	**(6,026)**	**41,252**	**506,113**	**27,695**	**533,808**

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 2, 2012

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)

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Consolidated statement of cash flow

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Cash flows from operating activities		
Profit before tax	65,183	76,782
Adjustments for -		
Depreciation and amortization	133,681	102,066
Finance income	(2,643)	(3,536)
Finance cost	40,828	25,349
Share of results of associates (post tax)	74	57
Amortization of stock based compensation	783	1,561
Other non-cash items	1,534	480
Operating cash flow before changes in assets and liabilities	239,440	202,759
Trade & other receivables and prepayments	(14,094)	(9,207)
Inventories	1,475	(211)
Trade and other payables	23,961	16,987
Provisions	397	(160)
Other financial and non financial liabilities	9,505	4,282
Other financial and non financial assets	(6,381)	(2,114)
Cash generated from operations	254,303	212,336
Interest received	401	565
Income tax paid	(29,453)	(24,388)
Net cash inflow from operating activities	225,251	188,513
Cash flows from investing activities		
Purchase of property, plant and equipment	(144,436)	(109,952)
Proceeds from sale of property, plant and equipment	1,074	783
Purchase of intangible assets	(6,921)	(167,925)
Short term investments (net)	(10,823)	46,590
Investment in subsidiary, net of cash acquired (refer note 7)	(24,985)	(373,991)
Proceeds from disposal of subsidiary (refer note 7)	2,543	-
Investment in associates	(98)	-
Loan to associates	(172)	-
Loan repayment received from associates	210	-
Net cash outflow from investing activities	(183,608)	(604,495)
Cash flows from financing activities		
Proceeds from issuance of borrowings	164,864	564,390
Repayment of borrowings	(163,343)	(139,104)
Short term borrowings (net)	(4,351)	4,300
Purchase of treasury stock	(544)	(402)
Interest paid	(32,352)	(21,595)
Proceeds from exercise of stock options	187	96
Dividend paid (including tax) to Company's shareholders (refer note 30)	(4,411)	(4,428)
Dividend paid (including tax) to non - controlling interests	(157)	-
Acquisition of non-controlling interest	-	(6,104)
Net cash inflow/(outflow) from financing activities	(40,107)	397,153
Net increase/(decrease) in cash and cash equivalents during the year	1,536	(18,829)
Effect of exchange rate changes on cash and cash equivalents	493	(124)
Add : Balance as at the beginning of the year	6,008	24,961
Balance as at the end of the year (refer note 24)	8,037	6,008

The accompanying notes form an integral part of these consolidated financial statements

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 2, 2012

Sanjay Kapoor
CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Notes to consolidated financial statements

1. CORPORATE INFORMATION

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay 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 – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as 'the Group'. The Group is a leading telecommunication service provider in India and also has strong 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 40.

The services provided by the Group are disclosed in Note 6 under segment reporting.

The Group's principal shareholders as of March 31, 2012 are Bharti Telecom Limited and Singapore Telecommunication International Pte Limited.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on May 2, 2012.

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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years, if the revision affects both current and future years (refer note 4 on Significant accounting judgements, estimates and assumptions).

The significant accounting policies used in preparing the consolidated financial statements are set out in note 3 of the notes to the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in note 43 and for the following new and amended Standards and Interpretations effective from the current financial year:

S. No.	Standards/Interpretations/Amendments	Month of Issue
1	IAS 24, *"Related party disclosures"*	November, 2009
2	Amendment to IFRIC 14, "*IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*"	November, 2009
3	IFRIC 19, *"Extinguishing Financial Liabilities with Equity Instruments"*	November, 2009
4	Amendment to IFRS 1, "*First time adoption of International Financial Reporting Standards*"	January, 2010
5	Improvement to certain IFRS	May, 2010

The adoption of the Standards and Interpretations mentioned above do not have any impact on the financial position or performance of the Group.

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 Indian Rupees ('Rupees' or '₹'), which is the Company's functional and presentation currency.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 40.

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 consolidated income statement 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 in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. 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.

When the Group ceases to have control over a subsidiary, it derecognizes the carrying value of assets (including goodwill), liabilities, the attributable value of non-controlling interest, if any, and the cumulative translation differences previously recognized in other comprehensive income. The profit or loss on disposal is recognized in the income statement and 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.

In the case of bargain purchase, the resultant gain is recognised directly in the income statement.

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"*, either in income statement or in 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 recognised 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 amortization recognised in accordance with IAS 18 "Revenue".

3.4 Interest in joint venture companies

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

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 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 unrealized 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

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

The Group's investment in associates are accounted 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.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortization 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. The amortization 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 amortization 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.

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 income statement on disposal.

b. Software

Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of license, generally not exceeding three years. Software up to ₹ 500 thousand is amortized over a period of 1 year.

c. Bandwidth

Payments for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an aquisition of a right. In the latter case it is accounted for as an intangible asset and the cost is amortized over the period of the agreement.

d. Licenses

Acquired licenses (including spectrum) are initially recognised at cost. Licenses acquired in a business combination are initially recognised at fair value at the acquisition date. Subsequently, licenses are measured at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is recognised in profit or loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction and is disclosed under 'depreciation and amortization'. The amortization period relating to licenses acquired in a business combination 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.

e. Other intangible assets

Other intangible assets are initially recognised at cost. Other intangible assets acquired in a business combination comprising brands, customer relationships and distribution networks, are capitalized at fair values on the date of acquisition and are amortized 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: Over the estimated life of such relationships

Amortization 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.

3.7 Property, plant and equipment ('PPE')

Property, plant and equipment is stated at cost, net of accumulated depreciation and 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 derecognised. All other repair and maintenance costs are recognised 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 as the associated risks and rewards remain with the group and 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 recognised 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 at each financial year end or whenever there are indicators for review, and adjusted prospectively. Land is not depreciated. Estimated useful lives of the assets are as follows:

Particulars	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 amortization and are tested annually for impairment. Assets that are subject to depreciation and amortization 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.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. 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. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortization expense.

An impairment loss in respect of goodwill is not reversed. 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 at bank and on hand, 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.

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 and which are considered an integral part of the Group's cash management.

3.10 Inventories

Inventories are valued at the lower of cost (determined on a first in first out ('FIFO') basis) and estimated net realizable value. Inventory costs include purchase price, freight inwards and transit insurance charges.

Net realizable 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, even if that right is not explicitly specified in an arrangement.

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 capitalized 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 profit or loss.

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 recognised 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. 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 capitalized and expensed over the term of the agreement.

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

3.12 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position 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 directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

A. Financial Assets

1. Financial assets – Initial recognition

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (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 at fair value through profit or loss include financial assets held for trading. The group has not designated any financial assets upon initial recognition 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 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 income statement.

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 amortized 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 amortized cost are measured using the effective interest rate method (EIR), less impairment, if any. 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 amortization is included in finance income in the income statement.

The Group does not have any Held-to-maturity investments.

3. Financial assets – Derecognition

The Group derecognizes 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.

B. Financial liabilities

1. Financial liabilities – Measurement

The measurement of financial liabilities depends on their classification as follows:

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The group has not designated any financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities 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 classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities 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 income statement.

b. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized 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 amortization is included in finance cost in the income statement.

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 income statement.

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 as 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 derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

E. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for log positions and ask price for short positions), without deduction of any transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.13 Treasury shares

Own equity instruments which are reacquired (treasury shares) through Bharti Airtel Employees' Welfare Trust (Formerly known as "Bharti Tele-Ventures Employees' Welfare Trust") are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement 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 share based payment transaction reserve.

3.14 Share-based compensation

The Group issues equity-settled and cash-settled share-based options to certain employees. Equity-settled share-based options are measured on fair value at the date of grant.

The fair value determined on 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.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period. At the end of the each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in profit or loss.

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/liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral 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 share-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.

3.15 Employee benefits

The Group's 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 retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with 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 calculated 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 income statement 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.

3.16 Foreign currency transactions

a. Functional and presentation currency

Consolidated financial statements have been presented in ₹, which is the Company's functional and presentation 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. Exchange component of the gain or loss arising on fair valuation of non monetary items is recognised in line with the gain or loss of the item that gave rise to the such exchange difference.

c. Translation of foreign operations' financial statements

The assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their income statements 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 (reduction in percentage ownership interest), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Exchange differences arising on a monetary item that forms part of a Group entity's net investment in a foreign operation is recognised in profit or loss in the separate financial statements of the Group entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences are recognised in other comprehensive income.

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.

3.17 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.

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 amortized over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Subscriber acquisition costs are expensed as incurred. On introduction of new prepaid products, processing fees on recharge coupons is being 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 amortized 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 recognised 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. 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. 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 separately identifiable components at the inception of the arrangement. The evaluation is done based on the criteria as to whether the deliverables in the arrangement have value to the customer on a standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components 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). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

e. Interest income

For all financial instruments measured at amortized 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 income statement.

f. Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

3.18 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 income statement. 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 utilized 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 utilized.

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 realized 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 utilized. 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 realized 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.

3.19 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 capitalized as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the average interest rate for specific borrowings. All other borrowing costs are expensed in the period they occur.

3.20 Dividends Paid

Dividends paid/payable are recognised in the year in which the related dividends are approved by the shareholders or Board of Directors, as appropriate.

3.21 Earnings per share

The Group's Earnings per Share ('EPS') is determined based on the net income attributable to the shareholders' of the parent. 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 share options (using the treasury stock method for options), except where the result would be anti-dilutive.

3.22 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 income statement 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 recognised at their fair value only if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, and 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 income statement 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 judgments, 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 judgments in applying the entity's accounting policies

a) Arrangement containing lease

The Group applies IFRIC 4, *"Determining Whether as 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 such contracts are in the nature of operating leases.

b) Revenue recognition and presentation

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 concluded that in certain geographies its revenue arrangements are on a principal to principal basis.

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 comprises amount billed to the customer/distributor, after trade discounts.

c) Multiple element contracts with vendors

The Group has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property , Plant and Equipment and/or as Intangible assets, since the Group has economic ownership in these assets. The Group believes that the current treatment represents the substance of the arrangement.

d) Determination of 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. IAS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency might not be very obvious due to mixed indicators like the currency that influences the sales prices for goods and services, currency that influences labour, material and other costs of providing goods and services, the currency in which the borrowings have been raised and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

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

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU and grouping of CGUs for goodwill allocation and impairment testing.

The Group prepares and internally approves formal five 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.

Since the value in use exceeds the carrying amount of CGU, the fair value less costs to sell is not determined.

The Group tests goodwill for impairment annually on March 31 for Mobile services - Africa CGU and on September 30 for other CGUs and whenever there are indicators of impairment. If some or all of the goodwill, allocated to a CGU, is recognised in a business combination during the year, that unit is tested for impairment before the end of that year.

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. The carrying amount of allowance for doubtful debts is ₹ 18,988 Mn and ₹ 13,538 Mn as of March 31, 2012 and March 31, 2011, respectively.

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. The carrying amount of provision for ARO is ₹ 5,905 Mn and ₹ 4,825 Mn as of March 31, 2012 and March 31, 2011 respectively.

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 utilized. Significant management judgment 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, future tax planning strategies and recent business performances and developments.

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 judgment.

The Group has considered all pertinent factors and applied its judgment in determining whether information obtained during the measurement period should result in an adjustment to the provisional amounts recognised at acquisition date or its impact should be accounted as post-acquisition transaction

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortized, whereas indefinite lived intangible assets, including goodwill, are not amortized and could result in differing amortization charges based on the allocation to indefinite lived and finite lived intangible assets.

Identifiable intangible assets acquired under business combination include licenses, 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 judgments surrounding the estimated useful lives critical to the Group's financial position and performance.

Further details on purchase price allocation have been disclosed in note 7.

f) Intangible assets

Refer note 3.6 for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 13.

g) Property, plant and equipment

Refer note 3.7 for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 12.

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 , 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 amortized 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 amortization income/charge. The Group believes that the change in such KPIs will not have any material effect on the financial statements.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE UP TO THE DATE OF ISSUANCE OF THE GROUP'S FINANCIAL STATEMENTS

a) IFRS 9 Financial Instruments

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 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. 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. IFRS 9 was further amended in October 2010, and such amendment introduced requirements on accounting for financial liabilities. This amendment addresses the issue of volatility in the profit or loss due to changes in the fair value of an entity's own debt. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income.

The Company is required to adopt the standard by the financial year commencing April 1, 2015. The Company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated financial statements.

b) Amendment to IFRS 7 Financial Instruments : Disclosures

In October 2010, International Accounting Standards Board issued amendment to IFRS 7. The IASB introduced enhanced disclosure requirements to IFRS 7 as part of its comprehensive review of off-balance sheet activities. The amendments are designed to ensure that users of financial statements are able to more readily understand transactions involving the transfer of financial assets (for example, securitization), including the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if the total amount of proceeds from transfer activity (that qualifies for derecognition) in a reporting period is not evenly distributed throughout the reporting period.

The Company is required to adopt the amendments by the financial year commencing April 1, 2012. Disclosures are not required for comparative periods before the date of initial application of the amendments. The amendment affects disclosure only and the Company believes that the adoption of the amendments will not have a material effect on the consolidated financial statements.

c) IFRS 10 Consolidated Financial Statements

In May 2011, International Accounting Standards Board issued IFRS 10, *"Consolidated Financial statements".*

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12 Consolidation – Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purposes entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirement that are in IAS 27. For instance, IFRS 10 provides additional guidance for determining of control in case of franchisor franchisee relationship, de facto agent, silos and potential voting rights. The Company is required to adopt IFRS 10 by the financial year commencing April 1, 2013. The Company is currently evaluating the requirements of this standard, and has not yet determined the impact on the consolidated financial statements.

d) IFRS 11 Joint Arrangements

In May 2011, International Accounting Standards Board issued IFRS 11, "*Joint arrangements".*

IFRS 11 replaces IAS 31, "Interests in Joint Ventures" and SIC-13, "*Jointly-controlled Entities-Non-monetary Contributions by Venturers*". IFRS 11 defines joint control as the contractually agreed sharing of control of an arrangement; which exists only when the decisions about the relative activities require the unanimous consent of the parties sharing control. The reference to 'control' in 'joint control' refers to the definition of 'control' under IFRS 10. IFRS 11 also changes the accounting for joint arrangements by moving from three categories under IAS 31 (jointly controlled operations, jointly controlled assets and jointly controlled entities) to two categories: joint operation and joint ventures. IFRS 11 removes the option to account for jointly controlled entities using the proportionate method, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The Company is required to adopt IFRS 11 by the financial year commencing April 1, 2013.

The application of this new standard will impact the financial position of the Group if the jointly controlled entities (refer note 40 for list of joint ventures) as defined by IAS 31 meet the definition of a joint venture under IFRS11. IFRS 11 requires that the nature and the substance of the contractual rights and obligations arising from arrangement are considered when classifying it as either a joint operation or a joint venture; the legal form or structure of the arrangement is not the most significant factor in classifying the arrangement. Management must analyse whether its interests in joint ventures should be classified as joint ventures or joint operations. The final assessment has not been made. However:

– If the outcome of the analysis is that these are joint ventures under IFRS11, then the transition to IFRS 11 will result in substantial changes to the financial statements of the Group because the Group currently recognises its interests using the proportionate consolidation. This will result in recognizing a single line item investment in a joint venture in the statement of financial position, and a single line item for the proportionate share of net income and changes in equity in the consolidated income statement and in the comprehensive income.

– On the other hand, if the outcome of the analysis is that the jointly controlled entities are classified as joint operations under IFRS 11 there would likely be no difference between the accounting for a joint operation and proportionate consolidation if the Group has rights to a specified percentage of all assets and obligations for a specified percentage of liabilities. However, if the Group has rights to a specified percentage of certain assets and differing rights to other assets, and different obligations for liabilities, the financial statements would look different when accounting for those individual rights and obligations as compared with proportionately consolidating a blended percentage of all assets and liabilities.

The Group has to analyse if the current jointly controlled entities meet the definition of a joint venture or of joint operation under IFRS11. A detailed assessment of the impact is currently in progress.

e) IFRS 12 Disclosure of interests in other entities

In May 2011, International Accounting Standards Board issued IFRS 12, *"Disclosure of interests in other entities".* IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. One of major requirements of IFRS 12 is that an entity needs to disclose the significant judgment and assumptions it has made in determining:

a. Whether it has control, joint control or significant influence over another entity.

b. The type of joint arrangement (i.e. joint operation or joint venture) when the joint arrangement is structured through a separate vehicle

IFRS 12 also expands the disclosure requirements for subsidiaries with Non-controlling interest, joint arrangements and associates that are individually material. IFRS 12 introduces the term - "Structured entity" by replacing the concept of Special Purpose entities that was previously used in SIC 12; and requires enhanced disclosures by way of nature and extent of, and changes in, the risks associated with its interests in both its consolidated and unconsolidated structured entities. The Company is required to adopt IFRS 12 by the financial year commencing April 1, 2013. The Company is currently evaluating the requirements of this standard, and has not yet determined the impact on the consolidated financial statements.

f) IFRS 13 Fair value measurement

In May 2011, the International Accounting Standards Board issued IFRS 13 to provide a specific guidance on fair value measurement and requires enhanced disclosures for all assets and liabilities measured at fair value, not restricting to financial assets and liabilities. The standard introduces a precise definition of fair value and provides guidance on how fair value is measured under IFRS when fair value is required or permitted. IFRS 13 sets out in a single standard a framework to measure the fair value and it also requires disclosures about the fair value measurement. 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 13, and has not yet determined the impact on the consolidated financial statements.

g) IAS 27 (Amended) Consolidated and Separate Financial Statements

In May 2011, International Accounting Standards Board amended IAS 27, *"Consolidated and Separate Financial Statements.* As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

The Company is required to adopt IAS 27 by the financial year commencing April 1, 2013. The Company is currently evaluating the requirements of this standard, and has not yet determined the impact on the consolidated financial statements.

h) IAS 28 (Revised) Investments in Associates and Joint Ventures

In May 2011, International Accounting Standards Board amended IAS 28, *"Investments in Associates and Joint Ventures"*, as a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

The Company is required to adopt IAS 28 by the financial year commencing April 1, 2013. The Company is currently evaluating the requirements of this standard, and has not yet determined the impact on the consolidated financial statements.

i) Amendments to IAS 1 Presentation of Financial instruments

In June 2011, the International Accounting Standards Board issued amendments to IAS 1. The amendments require companies preparing financial statements in accordance with IFRSs to group items within other comprehensive income that may be reclassified to the profit or loss separately from those items which would not be recyclable to the income statement. It also requires the tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax).

The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. The Company is required to adopt the amendments by the financial year commencing April 1, 2013. The Company has evaluated the requirements of the amendments and the Company does not believe that the adoption of the amendments will have a material effect on the consolidated financial statements.

j) Amendments to IAS 19 Employee Benefits

In June 2011, International Accounting Standards Board issued amendments to IAS 19. The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The most significant changes that will apply are:

- Actuarial gains and losses are to be recognised in OCI when they occur. Amounts recognised in profit or loss are limited to current and past service costs, gains or losses on settlements and net interest income (expense). All other changes in the net defined benefit asset/liability are recognised in other comprehensive income with no subsequent recycling to profit and loss.
- The net interest income or expense is the product of the net balance sheet liability or asset and the discount rate used to measure the obligation – both as at the start of the year.
- Objectives for disclosures of defined benefits plans are explicitly stated in the revised IAS 19, along with new or revised disclosure requirements. These new disclosures include quantitative information of the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.
- Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37, Liabilities.
- The distinction between short-term and long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement benefits.

The Company is required to adopt the amendments by the financial year commencing April 1, 2013. The amendments need to be adopted retrospectively with certain exceptions. The amendment will impact the accounting of actuarial gains and losses on defined benefit obligations of the Group, which is presently being recognized in the income statement. These would be required to be recognized in the other comprehensive income. A detailed assessment of the impact is currently in progress.

k) Amendments to IAS 32 Financial Instruments : Presentation and IFRS 7 Financial Instruments : Disclosures

In December 2011, the International Accounting Standards Board issued amendments to IAS 32 and IFRS 7. The IASB amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities.

Amendments to IAS 32 clarify the meaning of 'currently has a legally enforceable right of set-off' and also clarify the application of IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous.

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) . The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. These disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar arrangement', irrespective of whether they are set-off in accordance with IAS 32.

The Company is required to adopt the amendments to IFRS 7 and IAS 32 by the financial year commencing April 1, 2013 and April 1, 2014, respectively. The Company is currently evaluating the requirements of the amendments, and has not yet determined the impact on the consolidated financial statements.

l) The following Interpretations and amendments to standards have been issued as of March 31, 2012 but not yet effective and have not yet been adopted by the Group. These are not expected to have any impact on the consolidated financial statements:

S.No.	Standards/ Interpretations/ Amendments	Month of Issue	Effective date - annual periods beginning on or after
1.	Amendment to IAS 12, *"Income Taxes"*	December, 2010	January 1, 2012
2.	Amendment to IFRS 1, *"First-time Adoption of International Financial Reporting Standards"*	December, 2010	July 1, 2011
3.	IFRIC Interpretation 20, *"Stripping Costs in the Production Phase of a Surface Mine"*	October, 2011	January 1, 2013

6. SEGMENT REPORTING

The Group's operating segments are organized 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).

Since the start of the commercial operations in October, 2008, 'Direct-to-home' DTH business has been making significant inroads into the overall business performance of the Group, accordingly, during the year ended March 31, 2012, the Group has decided to report its performance as a separate segment, earlier reported as part of 'Others' segment.

In line with the changes in the internal reporting during the year ended March 31,2012, the Group has regrouped corporate headquarter's expenses/results, assets and liabilities relating to the Group's Africa operations with 'Africa mobile services' segment, earlier reported as part of 'Others' segment.

Further, during the year ended March 31, 2012, the Group has revised the presentation of expenses/results, assets and liabilities of corporate headquarter of the Group and other activities not allocated to the operating segments as 'Unallocated', earlier reported as part of 'Others' segment.

Segment comparatives have been restated to reflect the changes described above.

The revised reporting segments of the Group are as below:

Mobile Services India and South Asia (SA): These services cover voice and data telecom services provided through GSM technology in the geographies of India and South Asia (SA). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Mobile Services Africa: These services cover provision of voice and data telecom services offered to retail customers in Africa Continent. This also includes corporate headquarter costs of the Group's Africa operations which were earlier reported as part of 'Others' segment.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

Digital TV Services (formerly known as 'DTH Services'): This includes digital broadcasting services provided under the Direct-to-home platform. The same was earlier reported as part of 'Others' segment.

Airtel Business (formerly known as 'Enterprise Services'): These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Passive Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers.

Others: These comprise administrative and support services provided to other segments.

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. Re-branding expenditure pertaining to the acquired businesses are included under the related business segment and other re-branding expenditure are presented as 'Unallocated' reconciling item. Finance income earned and finance expense incurred 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, inter segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments. Segment capital expenditure comprise additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

Unallocated expenses/results, assets and liabilities include expenses/results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group and other activities not allocated to the operating segments.

Notes to consolidated financial statements

Summary of the segmental information as of and for the year ended March 31, 2012 is as follows:

(₹ Millions)

Description	Mobile Services India & South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Passive Infra Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	386,716	197,796	33,694	33,082	12,919	50,301	-	-	-	714,508
Inter segment revenue	16,375	469	3,577	11,459	41	44,808	3,117	-	(79,846)	-
Total revenues	**403,091**	**198,265**	**37,271**	**44,541**	**12,960**	**95,109**	**3,117**	**-**	**(79,846)**	**714,508**
Segment result	82,244	14,147	7,149	2,629	(7,198)	14,641	(416)	(9,792)	38	103,442
Share of profits/(loss) in associates										(74)
Finance income										2,643
Finance costs										(40,828)
Earnings before taxation										**65,183**
Other segment items										
Period capital expenditure	(37,232)	(72,789)	(10,144)	(7,025)	(8,285)	(13,800)	(1,610)	(167)	7,074	(143,978)
Depreciation and amortisation	(54,446)	(38,644)	(8,664)	(5,684)	(7,663)	(21,303)	(4)	(521)	3,248	(133,681)
As of March 31, 2012										
Segment assets	677,975	679,350	99,297	102,660	23,397	206,446	1,053	239,085	(458,647)	1,570,616
Segment liabilities	159,656	229,597	64,621	44,194	42,908	43,533	1,428	908,659	(457,788)	1,036,808

Notes to consolidated financial statements

Summary of the segmental information as of and for the year ended March 31, 2011 is as follows:

(₹ Millions)

Description	Mobile Services India & South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Passive Infra Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	348,490	130,721	33,563	30,202	7,721	44,686	-	-	-	595,383
Inter segment revenue	14,910	113	2,761	11,261	39	40,869	2,741	-	(72,694)	-
Total revenues	**363,400**	**130,834**	**36,324**	**41,463**	**7,760**	**85,555**	**2,741**	**-**	**(72,694)**	**595,383**
Segment result	85,551	2,381	8,334	5,546	(5,181)	11,688	47	(9,714)	-	98,652
Share of profits/(loss) in associates										(57)
Finance Income										3,536
Finance Cost										(25,349)
Earnings before taxation										**76,782**
Other segment items										
Period capital expenditure	(187,857)	(35,236)	(45,216)	(11,426)	(12,074)	(23,622)	-	(1,259)	9,742	(306,948)
Depreciation and amortisation	(41,346)	(26,128)	(8,155)	(4,577)	(4,086)	(20,058)	-	(563)	2,847	(102,066)
As of March 31, 2011										
Segment assets	594,629	584,051	97,396	100,630	22,637	203,105	588	144,409	(282,381)	1,465,064
Segment liabilities	155,603	139,369	69,837	46,201	34,581	40,733	1,027	742,853	(281,371)	948,833

Particulars	As of March 31, 2012	As of March 31, 2011
Unallocated Assets comprise of :		
Derivative financial assets	4,893	4,680
Deferred tax asset	51,277	45,061
Income tax recoverable	9,049	5,280
Others	173,866	89,388
Total	239,085	144,409

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Unallocated Liabilities comprise of :		
Borrowings	690,232	616,708
Derivative financial liabilities	567	468
Deferred tax liability	11,621	12,487
Income tax liabilities	7,596	3,642
Others	198,643	109,548
Total	908,659	742,853

(₹ Millions)

Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses ₹ 61,117 Mn and ₹ 63,765 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 508,113 Mn (USD 9.93 bn) and ₹ 460,966 Mn (USD 10.32 bn) as of March 31, 2012 and March 31, 2011, respectively.

Geographical information:

Information concerning geographical areas by location of the entity is as follows:

(a) Revenue from external customers:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
India	499,994	452,412
Africa	197,796	130,721
Rest of the World	16,718	12,250
Total	714,508	595,383

(b) Non-current assets (Property, plant and equipment and Intangible assets):

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
India	678,291	707,754
Africa	625,732	552,765
Rest of the World	31,798	28,224
Total	1,335,821	1,288,743

7. BUSINESS COMBINATION/ACQUISITION OF NON-CONTROLLING INTEREST/DISPOSAL OF SUBSIDIARY

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 of 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 was allocated to the net assets.

The goodwill recognized 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 one network arrangement, assembled work force, domain name and co-location agreement which have not been recognized separately as these do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets".

The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognized and non-controlling interest in Bharti Airtel Africa B.V. as of the date of acquisition, i.e., June 8, 2010.

(₹ Millions)

Particulars	As determined as of June 7, 2011	As determined as of March 31, 2011	As determined on the date of acquisition
Purchase consideration			
Cash	374,091	374,091	374,091
Deferred consideration at fair value	36,565	47,786	47,786
Total (A)	410,656	421,877	421,877
Acquisition related cost (included in Selling, general and administrative expenses in the Group consolidated statement of comprehensive income)	1,417	1,417	1,417

(₹ Millions)

Particulars	As determined as of June 7, 2011	As determined as of March 31, 2011	As determined on the date of acquisition
Recognised amount of Identifiable assets acquired and liabilities assumed			
Assets acquired			
Property, plant & equipments	104,925	122,002	126,271
Intangibles assets	97,934	81,036	81,035
Current assets	64,619	63,684	63,312
Liabilities assumed			
Non current liabilities	(76,356)	(76,182)	(75,543)
Current liabilities	(106,581)	(103,871)	(102,126)
Contingent liability (legal & tax cases)	(7,435)	(7,435)	(8,347)
Net identifiable assets (B)	77,106	79,234	84,602
Non controling interest in Zain (C)	**5,858**	**6,610**	**7,418**
Goodwill* (A-B+C)	**339,408**	**349,253**	**344,693**

During the three months period ended June 30, 2011, the end of the measurement period, the Group completed the fair valuation of net assets acquired as at the acquisition date and settled the deferred purchase consideration after adjusting for the claims of ₹ 11,221 Mn identified subsequent to the acquisition date as per the Share Purchase Agreement. The change in the net assets acquired as determined as of March 31, 2011 is primarily on account of decrease in provisional fair valuation of tangible assets by ₹ 17,077 Mn, increase in provisional fair valuation of intangible assets by ₹ 16,898 Mn and balance decrease of ₹ 1,197 Mn is on account of change in fair valuation of other assets and liabilities (including reduction in non controlling interest by ₹ 752 Mn). These have resulted in net reduction in goodwill by ₹ 9,845 Mn. Net depreciation and amortization expense (net of tax and non-controlling interest) of ₹ 429 Mn on account of finalization of fair valuation of tangible and intangible assets has been recognised in profit or loss on completion of the fair value of net assets acquired as at the acquisition date. The Group has assessed the above change as immaterial.

* Subsequent to the completion of the measurement period, the Group has identified certain errors post the acquisition date resulting into further reduction of Goodwill by ₹ 1,708 Mn (including reduction in deferred consideration by ₹ 211 Mn and net of non-controlling interest of ₹ 263 Mn) from ₹ 339,408 Mn to ₹ 337,700 Mn. The group has assessed the above change as immaterial for any restatement considerations.

None of the goodwill recognized is deductible for Income tax purposes.

From the date of acquisition, Bharti Airtel Africa B.V. has contributed revenue of ₹ 130,418 Mn and loss before tax of ₹ 3,843 Mn to the consolidated revenue and net profit before tax of the Group, respectively, for the year ended March 31, 2011.

The details of receivables acquired through business combination are as follows:

(₹ Millions)

Particulars	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
As determined on the date of acquisition	12,607	17,833	(5,226)
As determined as of March 31, 2011	11,992	17,833	(5,841)
As determined as of June 7, 2011	11,802	17,833	(6,031)

Analysis of cash flows on acquisition

(₹ Millions)

Particulars	Three months period ended June 30, 2011	Year ended March 31, 2011
Cash consideration paid (at exchange rate on the date of payment, including foreign exchange gain of ₹ 1,369 Mn for the three months period ended June 30, 2011 & ₹ 464 Mn for the year ended March 31, 2011)	24,985	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)	24,985	371,141
Transaction costs for the acquisition (B)* (included in cash flows from operating activities)	-	906
Total cash outflow in respect of business combination (A+B)	24,985	372,047

* Additional transaction cost for the acquisition of ₹ 511 Mn was incurred during the year ended March 31, 2010.

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 Mn. 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 recognized 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 summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognized and the non-controlling interest in Airtel Bangladesh Limited as of February 25, 2010.

(₹ Millions)

Particulars	As determined on the date of acquisition & as of February 24, 2011
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 & 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 Controling 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 recognized ₹ 219 Mn towards dispute with various tax authorities in Bangladesh.

The details of receivables acquired through business combination are as follows:

(₹ Millions)

As determined as of date of the acquisition & as of February 24, 2011	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

	(₹ Millions)
Cash consideration paid	13,912
Net cash acquired with the subsidiary	(13,911)
Investment in subsidiary, net of cash acquired (A)	1
Transaction costs of the acquisition	
- 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 Airtel (Seychelles) Limited (erstwhile Telecom Seychelles Limited), Seychelles

The Group entered into a share purchase agreement with Seejay Cellular Limited to acquire 100% equity interest in Airtel (Seychelles) Limited on August 23, 2010 for ₹ 2,903 Mn. 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 recognized in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and Airtel (Seychelles) Limited.

During the three months period ended September 30, 2011, the end of the measurement period, the group has completed the fair valuation of net assets acquired as at the acquisition date. There are no changes in the fair valuation subsequent to March 31, 2011.

The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognized as of August 27, 2010.

(₹ Millions)

Particulars	As determined on the date of acquisition & as of August 26, 2011
Purchase consideration	
Cash (A)	2,903

Recognised amount of Identifiable assets acquired and liabilities assumed

(₹ Millions)

Particulars	As determined as of March 31, 2011, and August 26, 2011	As determined on the date of acquisition
Assets acquired		
Property, plant & 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 controling interest (C)	**-**	**-**
Goodwill (A-B+C)	**2,601**	**2,695**

None of the goodwill recognized is deductible for Income tax purposes.

From the date of acquisition, Telecom Seychelles Limited has contributed revenue of ₹ 416 Mn and profit before tax of ₹ 176 Mn to the consolidated revenue and net profit before tax of the Group, respectively, for the year ended March 31, 2011.

The details of receivables acquired through business combination are as follows;

(₹ Millions)

As determined as of date of acquisition, March 31, 2011 and August 26, 2011	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

(₹ Millions)

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 ventures and associates would have been ₹ 623,477 Mn and ₹ 74,084 Mn respectively, had all the acquisitions been effective for the full year ended March 31, 2011.

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 Mn 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 Mn and the carrying value of the additional interest acquired was ₹ 1,481 Mn. The difference of ₹ 4,120 Mn between the consideration and the carrying value of the interest acquired has been recognized in 'Other components of equity'.

On completion of the fair value allocation to the identifiable assets (tangible and intangible) and liabilities of Zain Africa B.V. (Refer note 7(a)), the consequential decrease of ₹ 193 Mn in the carrying value of interest acquired in Celtel Zambia Plc has been recognized in 'Other components of equity' during the period.

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 Mn 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 Mn and the carrying value of the additional interest acquired was ₹ 33 Mn. The difference of ₹ 470 Mn between the consideration and the carrying value of the interest acquired has been recognized in 'Other components of equity'.

On completion of the fair value allocation to the identifiable assets (tangible and intangible) and liabilities of Zain Africa B.V. (Refer note 7(a)), the consequential increase of ₹ 93 Mn in the carrying value of interest acquired in Airtel Networks Kenya Limited has been recognized in 'Other components of equity' during the period.

g) Disposal of controlling interest in Aero Ventures Limited, Mauritius

On July 08, 2011, Aero Ventures Limited, Mauritius ('AVL') was incorporated as a wholly owned subsidiary of Network i2i Limited, a wholly owned subsidiary of the Company. The consideration for the issue of shares was satisfied through transfer of pre-delivery payment of USD 30.21 Mn, conversion of interest receivable of USD 0.12 Mn and payment of USD 19.64 Mn in cash.

On March 20, 2012, the entire holding in AVL was sold for ₹ 2,543 Mn (USD 50.60 Mn) resulting in gain of ₹ 13 Mn (USD 0.27 Mn), (net of transaction costs of ₹ 25 Mn (USD 0.49 Mn)), that has been recognised in the income statement. AVL has not started the commercial operations till the date of sale.

AVL had a capital advance of ₹ 2,505 Mn (USD 49.84 Mn) and cash and cash equivalents of ₹ 18 thousands (USD 0.36 thousands) on the date of disposal.

8. OPERATING EXPENSES

(₹ Millions)

Particulars	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Access charges		97,361	74,718
Licence fees, revenue share and spectrum charges		61,099	52,600
Network operations cost		157,598	127,163
Employee costs	8.1	35,159	32,784
Selling, general and adminstrative expenses		126,310	107,743
Charity & donations		408	292
		477,935	395,300

Selling, general and administrative expenses include followings:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Trading inventory consumption	9,389	8,169
Dimunition in value of inventory	584	342
Provision for doubtful debts	3,863	2,613

8.1 Employee costs

(₹ Millions)

Particulars	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Salaries, allowances & others		31,657	29,230
Defined contribution plan		1,667	797
Defined benefit plan/other long term benefits		846	1,196
Share based compensation	8.2	989	1,561
		35,159	32,784

8.2 Share based compensation plans

The following table provides an overview of all existing share option plans of the Group and its joint ventures:

Entity	Scheme	Plan	Year of issuance of plan	Share 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	21.25	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	5,052	1 - 5	7	5.52	Equity settled
Bharti Airtel	Scheme 2005	2005 Plan	2005	11,260	1 - 4	7	237.06	Equity settled
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	8,817	1 - 3	7	352.13	Equity settled
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009	2009	1,691	3 - 4	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU)	2010	3,616	1 - 5	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Long term incentive plan (LTIP)	2011	422	1 - 3	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	LTIP Africa	2011	418	1 - 3	3	5.00	Cash settled
Bharti Infratel	Infratel plan	2008 Plan	2008	3,748	1 - 5	7	329.00	Equity settled
Indus Towers Ltd# (Refer note 30)	Indus Plan	2009 Plan	2009	1.28	1 - 4	7	249,300.00	Cash settled

The following table exhibits the net compensation expense under respective schemes:

(₹ Millions)

Entity	Scheme	Plan	Year ended March, 2012	Year ended March, 2011
Bharti Airtel	Scheme I	2001 Plan	-	-
Bharti Airtel	Scheme I	2004 Plan	-	-
Bharti Airtel	Scheme I	Superpot	-	-
Bharti Airtel	Scheme I	2006 Plan	109	176
Bharti Airtel	Scheme 2005	2005 Plan	(14)	84
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	43	295
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	136	120
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU)	304	420
Bharti Airtel	Scheme 2005	LTIP Plan	59	-
Bharti Airtel	Scheme 2005	LTIP Africa	56	-
Bharti Infratel	Infratel plan	2008 Plan	249	371
Indus Towers Ltd#	Indus Plan	2009 Plan	47	95
			989	1,561

Represents 42% of the total number of shares, under the option plan of the Joint Venture Company.

The total carrying value of cash settled share based compensation liability is ₹ 105 Mn and ₹ Nil as of March 31, 2012 and March 31, 2011, respectively.

Information concerning the share options issued to directors, officers and employees is presented below:

Particulars	As of March 31, 2012		As of March 31, 2011	
	Number of share options (Shares in Thousands)	Weighted average exercise price(₹)	Number of share options (Shares in Thousands)	Weighted average exercise price(₹)
Scheme I - 2001 plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	16	60.00
Granted	-	-	-	-
Exercised	-	-	(16)	60.00
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at year end	-	-	-	-
Exercisable at end of year	-	-	-	-
Scheme I - 2004 plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	170	35.00
Granted	-	-	-	-
Exercised	-	-	(170)	35.00
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at year end	-	-	-	-
Exercisable at end of year	-	-	-	-

Contd...

Particulars	As of March 31, 2012		As of March 31, 2011	
	Number of share options (Shares in Thousands)	Weighted average exercise price(₹)	Number of share options (Shares in Thousands)	Weighted average exercise price(₹)
Scheme I - superpot				
Number of shares under option:				
Outstanding at beginning of year	-	-	12	-
Granted	-	-	-	-
Exercised	-	-	(4)	-
Expired	-	-	-	-
Forfeited	-	-	(8)	-
Outstanding at year end	-	-	-	-
Exercisable at end of year	-	-	-	-
Scheme I - 2006 plan				
Number of shares under option:				
Outstanding at beginning of year	2,057	5.51	2,096	5.50
Granted	239	5.00	867	5.00
Exercised	(594)	5.00	(554)	5.00
Expired	-	-	-	-
Forfeited	(257)	5.00	(352)	5.00
Outstanding at year end	1,445	5.73	2,057	5.51
Exercisable at end of year	521	6.97	832	6.27
Scheme 2005 - 2005 plan				
Number of shares under option:				
Outstanding at beginning of year	3,468	309.34	4,515	292.34
Granted	28	156.50	-	-
Exercised	(597)	166.80	(568)	148.73
Expired	-	-	-	-
Forfeited	(297)	388.72	(479)	339.29
Outstanding at year end	2,602	331.48	3,468	309.34
Exercisable at end of year	2,578	333.38	2,816	280.68
Scheme 2005 - 2008 plan and AGP				
Number of shares under option:				
Outstanding at beginning of year	5,915	355.16	7,031	354.94
Granted	34	373.38	-	-
Exercised	(246)	329.61	(11)	336.50
Expired	-	-	-	-
Forfeited	(868)	359.35	(1,105)	353.96
Outstanding at year end	4,835	355.84	5,915	355.16
Exercisable at end of year	4,224	349.26	3,043	345.70
Scheme 2005 - PSP 2009 plan				
Number of shares under option:				
Outstanding at beginning of year	1,456	5.00	1,282	5.00
Granted	40	5.00	328	5.00
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	(240)	5.00	(154)	5.00
Outstanding at year end	1,256	5.00	1,456	5.00
Exercisable at end of year	-	-	-	-

Contd...

Particulars	As of March 31, 2012		As of March 31, 2011	
	Number of share options (Shares in Thousands)	Weighted average exercise price(₹)	Number of share options (Shares in Thousands)	Weighted average exercise price(₹)
Scheme 2005 - LTIP Plan				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	422	5.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	(16)	5.00	-	-
Outstanding at year end	406	5.00	-	-
Exercisable at end of year	-	-	-	-
Scheme 2005 - Special ESOP & RSU Plan				
Number of shares under option:				
Outstanding at beginning of year	2,975	5.00	-	-
Granted	361	5.00	3,255	5.00
Exercised	(578)	5.00	-	-
Expired	-	-	-	-
Forfeited	(396)	5.00	(280)	5.00
Outstanding at year end	2,362	5.00	2,975	5.00
Exercisable at end of year	418	5.00	-	-
Scheme 2005 - LTIP Plan Africa				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	418	5.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at year end	418	5.00	-	-
Exercisable at end of year	-	-	-	-
Infratel Options				
Number of shares under option:				
Outstanding at beginning of year	3,336	329.00	2,898	329.00
Granted	80	329.00	654	329.00
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	(83)	329.00	(216)	329.00
Outstanding at year end	3,333	329.00	3,336	329.00
Exercisable at end of year	1,631	329.00	988	329.00
Indus Options#				
Number of shares under option:				
Outstanding at beginning of year	1.00	249,300.00	0.84	249,300.00
Granted	0.08	249,300.00	0.30	249,300.00
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	(0.17)	249,300.00	(0.14)	249,300.00
Outstanding at year end	0.91	249,300.00	1.00	249,300.00
Exercisable at end of year	0.21	249,300.00	0.10	249,300.00

Represents 42% of the total number of shares, under the option plan of the Joint Venture Company.

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	Wtd Avg Fair Value	Options	Wtd Avg Share Price
Bharti Airtel	2001 Plan	-	-	-	-	-	-
Bharti Airtel	2004 Plan	-	-	-	-	-	-
Bharti Airtel	Superpot	-	-	-	-	-	-
Bharti Airtel	2006 Plan	1,445	1.17 to 6.86	239	347.40	594	376.35
Bharti Airtel	2005 Plan	2,602	0.44 to 6.10	28	246.98	597	376.88
Bharti Airtel	2008 Plan and Annual grant plan	4,835	3.25 to 6.17	34	170.18	246	378.51
Bharti Airtel	PSP 2009 Plan	1,256	4.34 to 6.34	40	432.50	-	-
Bharti Airtel	LTIP Plan	406	6.35	422	415.47	-	-
Bharti Airtel	LTIP Africa	418	2.35	418	330.91	-	-
Bharti Airtel	Special ESOP & RSU	2,362	5.01 to 6.10	361	355.13	578	386.44
Bharti Infratel	2008 Plan	3,333	3.42 to 6.33	80	475.00	-	-
Indus Towers Ltd#	2009 Plan	0.91	4.42 to 6.75	0.08	273,703	-	-

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:

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Risk free interest rates	**7.76 to 9.05%**	7.14% to 8.84%
Expected life	**27 to 60 months**	48 to 72 months
Volatility	**41.00 to 52.43%**	37.26% to 58%
Dividend yield	**0 to 0.30%**	0 to 0.39%
Wtd average share price on the date of grant exluding Infratel and Indus	**361.83 to 424.11**	256.95 to 368.00
Wtd average share price on the date of grant - Infratel	**658**	658
Wtd average share price on the date of grant - Indus	**422,650**	422,650

The expected life of the share option is based on historical data & 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 years ended March 31, 2012 and March 31, 2011, Bharti Airtel Employee Welfare Trust ('trust') (a trust set up for administration of ESOP Schemes of the Company) has acquired 1,507,000 and 1,157,025 Bharti Airtel equity shares from the open market at an average price of ₹ 360.94 and ₹ 347.44 per share and has transferred 1,420,932 and 578,726 shares to the employees of the Company upon exercise of stock options, under ESOP Scheme 2005, respectively.

9. DEPRECIATION AND AMORTISATION

(₹ Millions)

Particulars	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation	12	105,426	86,980
Amortisation	13	28,255	15,086
		133,681	102,066

10. FINANCE INCOME AND COSTS

(₹ Millions)

	Year ended March 31, 2012	Year ended March 31, 2011
Finance income		
Interest Income on securities held for trading	2	10
Interest Income on deposits	445	475
Interest Income on loans to joint ventures	49	23
Interest Income on others	423	398
Net gain on securities held for trading	1,639	1,196
Net gain on derivative financial instruments	85	1,434
	2,643	3,536
Finance costs		
Interest on borrowings	30,608	20,378
Unwinding of discount on provisions	446	176
Net exchange loss	5,233	3,112
Other finance charges	4,541	1,683
	40,828	25,349

"Interest income on others" include ₹ 340 Mn and ₹ 259 Mn towards unwinding of discount on other financial assets for the years ended March 31, 2012 and March 31, 2011, respectively.

"Other finance charges" comprise bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes ₹ 246 Mn and ₹ 175 Mn towards unwinding of discount on other financial liabilities for years ended March 31, 2012 and March 31, 2011, respectively.

11. INCOME TAXES

The major components of the income tax expense are:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Current Income Tax		
- India	18,303	20,177
- Overseas	8,140	3,642
	26,443	23,819
Deferred Tax*		
- Relating to origination & reversal of temporary differences	(1,015)	(5,644)
Tax expense attributable to current year's profit	25,428	18,175
Adjustments in respect of income tax of previous year		
- Current Income Tax	333	142
- Deferred Tax*	(3,159)	(527)
	(2,826)	(385)
Income tax expense recorded in the Consolidated income statement	22,602	17,790

* Includes minimum alternate tax (MAT) credit of ₹ 5,220 Mn and ₹ 14,140 Mn during years ended March 31, 2012 and March 31, 2011, respectively.

During the years ended March 31, 2012 and March 31, 2011, the Company recognised additional income tax charge of ₹ 70 Mn and ₹ 2,980 Mn under 'current income tax' and additional MAT credit of ₹ 70 Mn and ₹ 2,980 Mn under 'deferred tax', respectively on account of change in effective MAT rate from 19.9305% to 20.00775% during the financial year 2011-12 and from 16.995% to 19.9305% during the financial year 2010-11.

The reconciliation between tax expense and product of net income before tax multiplied by enacted tax rates in India is summarized below:

(₹ Millions)

Particulars	**Year ended March 31, 2012**	Year ended March 31, 2011
Net Income before taxes	**65,183**	76,782
Enacted tax rates in India	**32.45%**	33.22%
Computed tax expense	**21,149**	25,505
Increase/(reduction) in taxes on account of:		
Share of losses in associates	**24**	19
Benefit claimed under tax holiday provisions of Income Tax Act	**(8,890)**	(19,679)
Temporary differences reversed during the tax holiday period	**1,027**	726
Effect of Changes in tax rate	**4**	(118)
Adjustment in respect to current income tax of previous years	**333**	142
Adjustment in respect to MAT credit of previous years	**(361)**	(345)
Deferred tax recognized in respect of previous years (including carry forward losses)	**(2,798)**	(182)
Tax for which no credit is allowed	**1,393**	60
Effect of different tax rate in other countries	**1,497**	1,635
Losses and deductible temporary difference against which no deferred tax asset recognised	**9,504**	9,052
(Income)/Expenses (net) not taxable/deductible	**(1,046)**	484
Reversal of previously recognised Deferred tax asset	**-**	129
Others	**766**	362
Income tax expense recorded in the Consolidated income statement	**22,602**	17,790

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ Millions)

Particulars	**As of March 31, 2012**	As of March 31, 2011
Deferred Tax Asset/(Liabilities)		
Provision for Impairment of Debtors & Advances	**7,432**	7,058
Losses available for offset against future taxable income	**5,300**	1,977
Employee Stock Options	**1,177**	1,001
License Fees	**537**	648
Post employment benefits and other provisions	**526**	380
Minimum Tax Credit	**33,402**	28,543
Lease Rent Equalization - Expense	**4,719**	3,707
Fair valuation of Derivative Instruments and unrealized exchange fluctuation	**616**	1,247
Accelerated depreciation for tax purposes	**(7,356)**	(8,222)
Fair valuation of intangibles/property plant & equipments on business combination	**(221)**	1,548
Lease Rent Equalization - Income	**(3,618)**	(2,749)
Deferred tax liability on undistributed retained earnings of foreign subsidiaries	**(2,961)**	(2,545)
Others	**103**	(19)
Net Deferred Tax Asset/(Liabilities)	**39,656**	32,574

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
		(₹ Millions)
Deferred Tax (Expenses)/Income		
Provision for Impairment of Debtors & Advances	255	(949)
Losses available for offset against future taxable income	2,297	(732)
Employee Stock Options	176	162
License Fees	(110)	(200)
Post employment benefits	146	38
Minimum Tax Credit	5,220	14,140
Lease Rent Equalization - Expense	1,012	1,002
Fair valuation of Derivative Instruments and unrealized exchange fluctuation	(753)	403
Accelerated depreciation for tax purposes	(1,352)	(4,393)
Fair valuation of intangibles/property plant & equipments on business combination	(1,891)	(2,692)
Lease Rent Equalization - Income	(869)	(953)
Deferred tax liability on undistributed retained earnings of foreign subsidiaries	(42)	-
Others	85	345
Net Deferred Tax (Expenses)/Income	**4,174**	6,171

Particulars	As of March 31, 2012	As of March 31, 2011
		(₹ Millions)
Reflected in the statement of financial position as follows:		
Deferred Tax Asset	51,277	45,061
Deferred Tax Liabilities	(11,621)	(12,487)
Deferred Tax Asset (Net)	**39,656**	32,574

The reconciliation of deferred tax assets net is as follows:

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
		(₹ Millions)
Opening Balance	32,574	8,752
Tax Income/(expense) during the year recognized in profit & loss	4,174	6,171
Deferred taxes acquired in business combination	239	18,434
Translation adjustment	2,470	(783)
Others*	199	-
Closing Balance	**39,656**	32,574

* During the year ended March 31, 2012, the passive infrastructure assets in some of telecom circles of one of the subsidiary of the Company, have been demerged into another indirect subsidiary of the Company. The Scheme has accordingly been given effect to in these Consolidated Financial Statements. Consequently, there has been a decrease in the deferred tax liability with a corresponding increase in the provision for income tax.

Deferred tax assets are recognised 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 ₹ 90,936 Mn and ₹ 77,846 Mn as of March 31, 2012 and March 31, 2011, 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 entity operates. Of the above balance as of March 31, 2012, losses and deductible temporary differences to the extent of ₹ 37,032 Mn have an indefinite carry forward period and the balance amount expires unutilized as follows:

	(₹ Millions)
March 31,	
2013	6,148
2014	5,827
2015	9,321
2016	10,903
2017	3,336
Thereafter	18,369
	53,904

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 ₹ 56,405 Mn and ₹ 38,021 Mn as of March 31, 2012 and March 31, 2011, respectively. The distribution of the same is expected to attract tax in the range of NIL to 15% depending on the tax rates applicable as of March 31, 2012 in the jurisdiction in which the respective Group entity operates.

During the years ended March 31, 2012 and March 31, 2011, the Group has recognised deferred tax asset of ₹ 2,455 Mn and ₹ Nil, respectively, on carry forward unused tax losses in respect of its subsidiaries. This recognition is based on current performance and the confidence/convincing evidence that management has, to generate sufficient taxable profits in future, which will be utilised to offset such carried forward tax losses.

During the year ended March 31, 2012,the Group has changed the trigger date for earlier years for certain business units enjoying Income tax holiday under the Indian Income tax laws. Accordingly,Income tax credit of ₹ 903 Mn pertaining to earlier years has been recognized during the year ended March 31, 2012.

12. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

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, 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**
Additions	1,178	-	8,434	126,029	135,641
Adjustments relating to Fair value remeasurement^	-	(16,723)	-	(354)	(17,077)
Disposals	(1,359)	(6,912)	(1,188)	(2,505)#	(11,964)
Currency translation	416	8,212	626	5,285	14,539
Reclassification/adjustment	(344)	133,596	(702)	(132,550)	-
As of March 31, 2012	**17,784**	**941,178**	**49,911**	**44,139**	**1,053,012**
Accumulated Depreciation					
As of April 1, 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**
Charge	4,680	91,993	8,753	-	105,426
Disposals	(297)	(4,868)	(1,083)	-	(6,248)
Currency translation	3,526	(5,067)	(4)	-	(1,545)
Reclassification/adjustment	(3,682)	4,982	(1,300)	-	-
As of March 31, 2012	**7,791**	**336,142**	**34,147**	**-**	**378,080**
Net Carrying Amount					
As of April 1, 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
As of March 31, 2012	9,993	605,036	15,764	44,139	674,932

*₹ 1,334 Mn and ₹ 14 Mn gross block and accumulated depreciation respectively, has been reclassified from property, plant and equipment - 'other equipments, operating and office equipments' to 'software'.
^ Refer note 7(a).
# Refer note 7 (g).

"Other equipment, operating and office equipment" include gross block of assets capitalised under finance lease ₹ Nil and ₹ 48 Mn as of March 31, 2012 and March 31, 2011 respectively and the corresponding accumulated depreciation for the respective periods ₹ Nil and ₹ 15 Mn.

"Land and Building" include gross block of assets capitalised under finance lease ₹ Nil and ₹ 914 Mn as of March 31, 2012 and March 31, 2011 respectively and the corresponding accumulated depreciation for the respective periods ₹ Nil and ₹ 67 Mn.

The "advance payments and construction in progress" includes ₹ 42,987 Mn and ₹ 46,988 Mn (including ₹ Nil and 268 Mn due from a related party) towards technical equipment and machinery and ₹ 1,152 Mn and ₹ 1,246 Mn towards other assets as of March 31, 2012 and March 31, 2011 respectively.

The Group and its joint ventures have taken borrowings from banks and financial institutions (refer note 25 for details towards security and pledge).

13. INTANGIBLE ASSETS

(₹ Millions)

Particulars	Goodwill	Software	Bandwidth	License	Other acquired intangibles	Total
Cost						
As of April 1, 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**
Additions	-	2,533	2,734	3,024	46	8,337
Adjustments relating to Fair value remeasurement^	(11,553)	-	-	12,902	3,996	5,345
Disposals	-	(12)	-	-	(48)	(60)
Currency translation	31,063	14	628	(6,813)	14,099	38,991
Reclassification/adjustment	-	(21)	3	13,478	(13,460)	-
As of March 31, 2012	**410,197**	**9,337**	**9,440**	**274,584**	**19,785**	**723,343**
Accumulated amortisation						
As of April 1, 2010		**1,351**	**567**	**9,303**	**4,678**	**15,899**
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	**-**	**2,807**	**841**	**16,422**	**10,706**	**30,776**
Charge	-	2,255	471	18,668	6,861	28,255
Disposals	-	(3)	-	-	(38)	(41)
Currency translation	-	13	63	(4,319)	5,070	827
Reclassification/adjustment	-	(11)	-	5,939	(5,928)	-
As of March 31, 2012	**-**	**5,061**	**1,375**	**36,710**	**16,671**	**59,817**
Accumulated impairment						
As of April 1, 2010	**2,637**					**2,637**
As of March 31, 2011	**2,637**	**-**	**-**	**-**	**-**	**2,637**
As of March 31, 2012	**2,637**	**-**	**-**	**-**	**-**	**2,637**
Net Carrying Amount						
As of April 1, 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
As of March 31, 2012	407,560	4,276	8,065	237,874	3,114	660,889

* ₹ 1,334 Mn and ₹ 14 Mn gross block and accumulated depreciation respectively, has been reclassified from property, plant and equipment - 'other equipments, operating and office equipments' to 'software'.

^ Refer note 7(a).

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" (3G) for a sum of ₹ 122,982 Mn and "Broadband & Wireless Access" (BWA) for a sum of ₹ 33,144 Mn. License fee includes ₹ 35,437 Mn and ₹ 50,896 Mn, for which services have not been launched as of March 31, 2012 and March 31, 2011, respectively and are therefore not amortised.

During the years ended March 31, 2012 and March 31, 2011, the Group and its joint ventures have capitalized borrowing cost of ₹ 1,565 Mn and ₹ 4,314 Mn, respectively.

Weighted average remaining amortization period of license as of March 31, 2012 is 14.30 years.

14. IMPAIRMENT REVIEWS

The Group tests goodwill for impairment annually on March 31 for Mobile services - Africa CGU and on September 30 for other CGUs and whenever there are indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. The impairment assessment is based on value in use calculations.

During current financial year, the testing didn't result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill has been allocated to the following CGU/Group of CGUs:

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Mobile Services - India & South Asia	37,813	37,789
Airtel business	4,611	4,050
Mobile Services - Africa	365,136	346,211
Total	407,560	388,050

The measurement of the cash generating units are founded 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 Group has used ten year plans for Mobile Services India & South Asia and Airtel business 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 partially 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 a CGU. The discount rate was estimated based on the average percentage of weighted average cost of capital for each CGU. Pre-tax discount rate used ranged from 10% to 20% (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 3% to 4.5% (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 for Mobile Services – India & South Asia and Airtel Business, no reasonably possible change in any of the above key assumptions would cause the carrying amount of these units to exceed their recoverable amount. For Mobile Services - Africa CGU, the recoverable amount exceeds the carrying amount by approximately 4.5%. An increase of 0.52 % in discount rate or reduction of 0.87% in growth rate shall equate the recoverable amount with the carrying amount of the Mobile Services - Africa CGU.

15. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

15.1 Investment in associates

The details of associates are set out in Note 40.

The Group's interest in certain items in the consolidated income statement and the statement of financial position of the associates are as follows:

Share of associates revenue & profit:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Revenue	2,041	1,642
Total Expense	(2,472)	(1,962)
Net Finance cost	(76)	(61)
Profit before income tax	(507)	(381)
Income tax expense	-	-
Profit/(Loss)	(507)	(381)
Unrecognised Losses	(461)	(324)
Recognised Losses *	(74)	(57)
Carrying Value of Investment	24	-

* including ₹ 28 Mn and ₹ nil unrecognised losses pertaining to the previous year(s) recognised during the year ended March 31, 2012 and March 31, 2011, respectively.

Cumulative unrecognised loss is ₹ 757 Mn and ₹ 324 Mn as of March 31, 2012 and March 31, 2011, respectively.

Share in associates statement of financial position:

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Assets	2,032	2,289
Liabilities	2,532	2,196
Equity	(500)	93

As of March 31, 2012 and March 31, 2011, the equity shares of associates are unquoted.

15.2 Investment in joint ventures

The financial summary of joint ventures proportionately consolidated in the statement of financial position and consolidated income statement before elimination is as below:-

Share in joint ventures' revenue & profit:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Revenue	50,923	45,243
Total expense	(42,430)	(38,092)
Net finance cost	(4,161)	(4,112)
Profit before income tax	4,332	3,039
Income tax expense	(1,392)	(1,011)
Profit for the year	2,940	2,028

Share in joint ventures' statement of financial position:

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Current assets	14,357	13,308
Non-current assets	53,746	51,636
Current liabilities	30,454	17,646
Non-current liabilities	32,816	45,313
Equity	4,833	1,985

The details of joint ventures are set out in Note 40.

Share of joint ventures' commitments and contingencies is disclosed in note 35.

16. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses foreign exchange option contracts, swap contracts, 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:-

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Assets		
Currency swaps and forward contracts	1,586	3,979
Embedded derivatives	3,307	701
	4,893	4,680
Liabilities		
Currency swaps and forward contracts	54	308
Interest rate swaps	30	103
Embedded derivatives	483	57
	567	468
Bifurcation of above derivative instruments into current and non current		
Non-current derivative financial assets	2,756	1,998
Current derivative financial assets	2,137	2,682
Non-current derivative financial liabilities	(401)	(151)
Current derivative financial liabilities	(166)	(317)
	4,326	4,212

Embedded derivative

The Group entered into long term purchase contracts denominated/determined in foreign currencies. The value of these contracts changes in response to the changes in specified foreign currencies. 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.

17. OTHER FINANCIAL ASSETS, NON CURRENT

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Security deposits	6,266	5,428
Restricted cash	417	653
Trade receivables (non-current)	1,052	-
Others	9,351	1,849
	17,086	7,930

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 25.

Restricted cash represents amount given as security against various borrowing facilities and legal cases.

"Others" include claim recoverable of ₹ 5,198 Mn (₹ Nil as of March 31, 2011) and rent equalisation asset of ₹ 2,623 Mn (₹ 1,799 Mn as of March 31, 2011) as of March 31, 2012.

18. OTHER NON-FINANCIAL ASSETS, NON CURRENT

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Fair valuation adjustments - financial assets	3,605	3,301
Advances	11,963	5,954
Total	15,568	9,255

Fair valuation of financial assets represents unamortised portion of the difference between the fair value of the financial assets (security deposits) on initial recognition and the amount paid.

Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 12,900 Mn and ₹ 7,820 Mn as of March 31, 2012 and March 31, 2011, respectively.

19. INVENTORIES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Transmission equipment	402	516
SIM cards	143	257
Handsets	751	1,356
Others	12	10
Total	1,308	2,139

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 25.

20. TRADE AND OTHER RECEIVABLES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Trade receivable*	74,130	60,156
Less: Allowance for doubtful debts	(18,988)	(13,538)
Total Trade receivables	55,142	46,618
Other receivables		
Due from related party	1,045	1,670
Receivables from joint ventures	7,508	6,500
Interest accrued on investments	40	141
Total	63,735	54,929

Movement in allowances for doubtful debts

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Balance, beginning of the year	13,538	12,460
Additions -		
Provision for the year	3,863	2,613
Currency translation adjustment	4,433	1,442
Application -		
Write off of bad debts	(2,846)	(2,977)
Balance, end of the period	18,988	13,538

*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 25.

Refer note 37 on credit risk of trade receivables.

21. PREPAYMENTS AND OTHER ASSETS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Prepaid expenses	11,826	12,024
Employee receivables	349	277
Advances to Suppliers	10,429	8,083
Other taxes receivable	7,881	8,088
Others	2,136	2,032
	32,621	30,504

Others include advance rentals of ₹ 1,038 Mn and ₹ 783 Mn as of March 31, 2012 and March 31, 2011, 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 and are disclosed net of provision of ₹ 1,590 Mn and ₹ 986 Mn as of March 31, 2012 and March 31, 2011, respectively.

22. SHORT TERM INVESTMENTS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Held for trading securities - quoted	16,141	6,125
Loans and receivables - fixed deposits with banks	1,991	99
	18,132	6,224

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 ventures have taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under Note 25.

23. OTHER FINANCIAL ASSETS, CURRENT

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Restricted Cash	802	744
	802	744

Restricted cash represents amount given as security against various borrowing facilities and legal cases.

24. CASH AND CASH EQUIVALENTS

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Cash and bank balances	11,581	8,839
Fixed deposits with banks	8,719	736
	20,300	9,575

For the purpose of the consolidated cash flow statement, cash and cash equivalent comprise of following:-

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Cash and bank balances	11,581	8,839
Fixed deposits with banks	8,719	736
Less :- Bank overdraft (refer note 25.2)	(12,263)	(3,567)
	8,037	6,008

25. BORROWINGS

25.1 Long term debts

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Secured		
Term loans	109,928	112,141
Non convertible debentures (NCDs)	-	125
Others	31	89
Total	109,959	112,355
Less: Current portion	(13,964)	(35,650)
Total secured loans, net of current portion	95,995	76,705
Unsecured		
Term Loans	501,201	475,137
Total	501,201	475,137
Less: Current portion	(100,042)	(19,504)
Total unsecured loans, net of current portion	401,159	455,633
Total	497,154	532,338

25.2 Short term debts and current portion of long term debts

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Secured		
Term loans	6,036	-
Bank overdraft	4,898	1,805
Total	10,934	1,805
Add: Current portion of long term debts	13,964	35,650
Total secured loans, including current portion	24,898	37,455
Unsecured		
Term Loans	60,773	25,649
Bank overdraft	7,365	1,762
Total	68,138	27,411
Add: Current portion of long term debts	100,042	19,504
Total unsecured loans, including current portion	168,180	46,915
Total	193,078	84,370

25.3 Analysis of Borrowings

25.3.1 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.

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Within one year	193,210	84,370
Between one and two years	81,927	112,213
Between two and five years	406,009	327,706
over five years	11,820	96,492
Total	692,966	620,781

25.3.2 Interest rate & currency of borrowings

(₹ Millions)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	133,822	99,437	34,385
USD	483,661	481,774	1,887
JPY	5,026	5,026	-
NGN	48,301	44,355	3,946
XAF	10,008	-	10,008
XOF	5,345	-	5,345
Others	6,803	2,343	4,460
March 31, 2012	**692,966**	**632,935**	**60,031**
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
XOF	2,192	1,390	802
Others	6,251	6,037	214
March 31, 2011	**620,781**	**605,567**	**15,214**

The above details are gross of debt origination cost and does not necessarily represents foreign currency exposure to the income statement. For foreign currency sensitivity refer note 37.

25.4 Non - convertible debenture

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
11.70%, 5 redeemable non-convertible debentures for ₹ 10 each repayable in 4 equated half yearly installments beginning December 2009	-	13
11.70%, 45 redeemable non-convertible debentures for ₹ 10 each repayable in 4 equated half yearly installments beginning December 2009	-	112
Total	-	125

25.5 Other loans

Others include vehicle loans taken from banks which were secured by the hypothecation of the vehicles ₹ 31 Mn and ₹ 89 Mn as of March 31, 2012 and March 31, 2011, respectively.

The amounts payable for the capital lease obligations, excluding interest expense is ₹ 20 Mn, ₹ 10 Mn and ₹ 1 Mn for the years ending on March 31, 2013, 2014 and 2015, respectively.

25.6 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 financial institutions taken by the Parent, subsidiaries and joint ventures. The details of security provided by the Group and its joint ventures in various countries, to various banks on the assets of Parent, subsidiaries and JVs are as follows:

(₹ Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2012	As of March 31, 2011	Security Detail
Bharti Airtel Ltd	Parent	**65**	218	(i) against hypothecation of vehicles (for secured loans as of March 31, 2012 and as of March 31, 2011); (ii) 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 (for secured loans as of March 31, 2011); (iii) all rights, titles, interests in the accounts, and monies deposited and investments made there from and in project documents, book debts and insurance policies (for secured loans as of March 31, 2011);
Indus Towers Ltd	Joint Venture	**27,301**	37,170	(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 ₹ 4,200 Mn (proportionate share of the Group) including funded facilities not exceeding ₹ 2,100 Mn (proportionate share of the Group); (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 project documents. (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) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

Contd...

(₹ Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2012	Outstanding loan amount As of March 31, 2011	Security Detail
Airtel Bangladesh Ltd	Subsidiary	**9,246**	5,852	(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	**84,617**	71,806	The countrywise security details are as follows: (i) Pledge on Assets - Kenya, Tanzania, Nigeria and Congo B (ii) Pledge on specific shares and assets- DRC and Madagascar (iii) Pledge on business assets and shares - Malawi (iv) Pledge on equipments - Niger (v) Pledge on specific fixed assets - Chad (vi) Pledge on specific assets - Burkina Faso (vii) Pledge on assets and shares - Ghana

BAABV (erstwhile ZAIN) acquisition related borrowing:

Bharti Airtel acquired operations of 15 countries in Africa from ZAIN BV through its subsidiary Bharti Airtel International Netherlands BV with effect from June 8, 2010. The above acquisition was financed through loans taken from various banks. The loan agreements contain 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 exit any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contain a negative pledge covenant that prevents the Company to create or allow to exit any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

25.7 Borrowings

Total borrowings disclosed at note 25.1 and 25.2 above includes,

- unsecured borrowings represented by ₹ 7,705 Mn as of March 31, 2012 (₹ 5,468 Mn as of March 31, 2011) and secured borrowings represented by ₹ 27,112 Mn as of March 31, 2012 (₹ 36,816 Mn as of March 31, 2011) pertaining to joint ventures; and
- unsecured borrowings represented by ₹ 561,634 Mn as of March 31, 2012 (₹ 497,080 Mn as of March 31, 2011) and secured borrowings represented by ₹ 93,781 Mn as of March 31, 2012 (₹ 77,344 Mn as of March 31, 2011) pertaining to Group excluding joint ventures.

25.8 Unused lines of credit

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Secured	10,473	10,189
Unsecured	37,814	20,528
Total Unused lines of credit	48,287	30,717

25.9 During the year ended March 31, 2012, the Group has fallen short of meeting certain financial covenants with respect to loan agreements in one of its African subsidiaries. An irrevocable prepayment notice has been issued by the Subsidiary and has been duly acknowledged by the lender. Accordingly, it has reclassified the non-current portion of the outstanding amount of ₹ 4,279 Mn as of March 31, 2012, from non - current borrowing to current borrowing and expensed the entire unamortized debt origination cost of ₹ 192 Mn during the year ended March 31, 2012. The total outstanding balance of the loan is ₹ 6,477 Mn as of March 31, 2012.

26. PROVISIONS

(₹ Millions)

Particulars	Employee benefits	Asset retirement obligation*	Total
As of March 2010	**2,600**	**2,053**	**4,653**
Of which: current	874	-	874
Provision during the period	1,196	341	1,537
Payment during the period	(1,356)	-	(1,356)
Acquisition through Business Combinations	-	2,501	2,501
Adjustment during the period	-	(246)	(246)
Interest charge	-	176	176
As of March 2011	**2,440**	**4,825**	**7,265**
Of which: current	1,180	-	1,180
Provision during the year	846	730	1,576
Payment during the year	(661)	-	(661)
Interest charge	-	350	350
As of March 2012	**2,625**	**5,905**	**8,530**
Of which: current	1,290	-	1,290

* Refer Note 3.22 (c), summary of significant accounting policies – Provisions (Asset Retirement Obligation).

During the year ended March 31, 2011, a jointly controlled entity has revised its estimate for ARO and consequently reversed provisions amounting to ₹ 246 Mn 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 period" for asset retirement obligation is after considering the impact of change in discount rate. Due to large number of lease arrangements of the Group, the range of expected realization period of provision for asset retirement obligation is significantly wide.

27. OTHER FINANCIAL LIABILITIES, NON CURRENT

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Equipment Suppy Payable - Non Current	4,475	-
Security deposits	9,471	6,792
Others	9,130	7,064
	23,076	13,856

"Others" include rent equalisation liability of ₹ 8,028 Mn and ₹ 6,125 Mn as of March 31, 2012 and March 31, 2011, respectively.

28. OTHER NON - FINANCIAL LIABILITIES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Non - current		
Fair valuation adjustments - financial liabilities*	2,741	2,561
Others	2,810	2,810
	5,551	5,371
Current		
Other taxes payable	10,811	10,053
	10,811	10,053
Total	16,362	15,424

* represents unamortised portion of the difference between the fair value of the financial liability (security deposit) on initial recognition and the amount received.

'Other' represents amount due to one of the jointly controlled entity of the Group, which will be settled at the time of merger of a subsidiary with the jointly controlled entity, and has been classified as a non-financial liability.

29. 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, 2012 and March 31, 2011, being the respective measurement dates:

Movement in Projected Benefit Obligation

(₹ Millions)

Particulars	Gratuity	Compensated absence
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**
Projected benefit obligation - April 1, 2011	1,336	872
Current service cost	270	208
Interest cost	107	70
Benefits paid	(255)	(165)
Actuarial loss/(gain)	76	(20)
Projected benefit obligation - March 31, 2012	**1,534**	**965**

Movement in Plan Assets - Gratuity

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
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	**(1,453)**	(1,255)
Actual return on plan assets	**-**	**-**

The components of the gratuity & compensated absence cost were as follows:

(Recognised in employee costs)

(₹ Millions)

Particulars	Gratuity	Compensated absence
Current service cost	270	208
Interest cost	107	70
Expected return on plan assets	(6)	-
Recognized actuarial loss/(gain)	82	(20)
For the year ended March 31,2012	**453**	**258**
Current service cost	255	215
Interest cost	75	53
Expected return on plan assets	(6)	-
Recognized actuarial loss/(gain)	174	163
For the year ended March 31, 2011	**498**	**431**

The principal actuarial assumptions used for estimating the Group's and its joint ventures' Defined benefit obligations are set out below:

Weighted average actuarial assumptions

Particulars	As of March 31, 2012	As of March 31, 2011
Discount Rate	8.00%	7.50%
Expected Rate of increase in Compensation levels	9.00%	9.00%
Expected Rate of Return on Plan Assets	8.00%	7.50%
Expected Average remaining working lives of employees (years)	25.60 years	26.15 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 recognised in profit or loss as and when incurred. The annuity plan is self funded.

History of experience adjustments is as follows:

(₹ Millions)

Particulars	Gratuity	Compensated absence
March 31, 2012		
Plan Liabilities - (loss)/gain	51	143
Plan Assets - (loss)/gain	(6)	-
March 31, 2011		
Plan Liabilities - (loss)/gain	(149)	(69)
Plan Assets - (loss)/gain	(6)	-

Disclosure of other long term employee benefits:

Deferred incentive plan

(₹ Millions)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening Balance	162	807
Addition	41	228
Utilization	(186)	(873)
Closing Balance	17	162

Long term service award

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Estimated liability	173	145

Statement of Employee benefit provision

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Gratuity	1,453	1,255
Leave encashment	965	872
Other employee benefits	207	313
Total	**2,625**	2,440

30. EQUITY

(i) Shares

Particulars	As of March 31, 2012 ('000s)	As of March 31, 2011 ('000s)
Authorised shares		
Equity shares of ₹ 5 each	5,000,000	5,000,000
Issued, Subscribed and fully paid-up shares		
Equity shares of ₹ 5 each	3,797,531	3,797,531
Treasury shares		
Equity shares of ₹ 5 each	2,457	2,965

(ii) Other components of equity

a) Share-based payment transactions

The share-based payment transactions reserve comprise the value of equity-settled share-based payment transactions provided to employees including key management personnel, as part of their remuneration. The carrying value of the reserve as of March 31, 2012 and March 31, 2011 is ₹ 5,196 Mn and ₹ 4,776 Mn, respectively.

A jointly controlled entity of the Group not yet listed by 31 March 2012 will, subject to statutory provisions and rules, buy back the shares pursuant to exercise of options in the manner specified in the share option plan. Hence, in accordance with the terms of the Employee Share Option Plan, the jointly controlled entity has classified share based payment award from equity settled to cash settled and recognized a liability of ₹ 141 Mn, based on fair value of the options determined using Black Scholes Option Pricing Model by an external independent valuer determined on the date of reclassification.

b) Revaluation reserve

The increase in fair valuation of property, plant and equipment is recorded under revaluation reserve and the same is utilized towards diminution in value of those assets which were previously revalued. The carrying value of the reserve as of March 31, 2012 and March 31, 2011 is ₹ Nil and ₹ 21 Mn, respectively.

c) Debenture redemption reserve

As required under the corporate laws of the jurisdiction under which the 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. Entire outstanding amount of debentures has been redeemed during the year ended March 31, 2012. The carrying value of the reserve as of March 31, 2012 and March 31, 2011 is ₹ Nil and ₹ 32 Mn, respectively.

d) Reserves arising on transactions with equity owners of the Group or Reserve arising on dilution.

The transactions with non-controlling interests are accounted for 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 of March 31, 2012 and March 31, 2011 is ₹ 36,056 Mn and ₹ 36,156 Mn, respectively.

(iii) Dividends paid and proposed

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Declared and paid during the period: (including dividend distribution tax)		
Final dividend for 2010-11 and 2009-10: ₹ 1 per share of ₹ 5 each	4,411	4,428
Dividend on treasury shares	3	-
Proposed for approval at the annual general meeting (not recognised as a liability):		
Proposed dividend for 2011-12 and 2010-11: ₹ 1 per share of ₹ 5 each	3,798	3,798
Dividend distribution tax	616	616
	4,414	4,414

(iv) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries.

During the year ended March 31, 2012, with respect to loan to its certain foreign subsidiaries, the Group has re-assessed the funding requirements of these subsidiaries and accordingly amended the loan terms and re-designated these as permanent funding. Accordingly, these have been treated as part of its net investment in foreign operations in accordance with IAS 21 for recognition of foreign exchange differences. The exchange gain/loss arising on these loans from the date of such re-assessment has been recognised in other comprehensive income in the consolidated financial statements. Exchange loss of ₹ 24 Mn has been recognised in profit or loss for the year ended March 31, 2012 (Exchange loss of ₹ 771 Mn for the year ended March 31, 2011). Exchange loss of ₹ 1,617 Mn have been recognised in other comprehensive income for the year ended March 31, 2012 (Exchange loss of ₹ Nil for the year ended March 31, 2011).

31. TRADE AND OTHER PAYABLES

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Trade creditors	64,715	55,919
Equipment supply payables	66,024	65,277
Dues to employees	3,297	3,109
Accrued expenses	94,282	74,843
Interest accrued but not due	968	1,271
Due to related parties	1,196	837
Others	2,168	38,428
	232,650	239,684

"Others" include non-interest bearing advance received from customers and international operators.

"Others" also include ₹ Nil (USD Nil) as of March 31, 2012 and ₹ 35,763 Mn (USD 801 Mn) as of 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.).

Trade creditors and accrued expenses include provision of ₹ 31,290 Mn as of March 31, 2012 and ₹ 19,576 Mn as of March 31, 2011 towards sub judice matters.

32. 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.

(₹ Millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Financial Assets				
Assets carried at fair value through profit or loss				
Currency swaps, forward and option contracts	1,586	3,979	1,586	3,979
Embedded derivatives	3,307	701	3,307	701
Held for trading securities - quoted - mutual funds	16,141	6,125	16,141	6,125
Assets carried at amortised cost				
Fixed deposits with banks	10,710	835	10,710	835
Cash and bank balances	11,581	8,839	11,581	8,839
Trade and other receivables	63,735	54,929	63,735	54,929
Other financial assets	17,888	8,674	17,199	8,402
	124,948	84,082	124,259	83,810
Financial Liabilities				
Liabilities carried at fair value through profit or loss				
Currency swaps, forward and option contracts	54	308	54	308
Interest rate swaps	30	103	30	103
Embedded derivatives	483	57	483	57
Liabilities carried at amortised cost				
Borrowing - Floating rate	630,201	601,494	630,201	601,494
Borrowing - Fixed rate	60,031	15,214	59,563	15,172
Trade & other payables	232,650	239,684	232,650	239,684
Other financial liabilities	23,076	13,856	22,659	13,681
	946,525	870,716	945,640	870,499

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 corroborating 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, credit risk and other risk characteristics. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As of March 31, 2012, 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 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 judgment, and inputs thereto are readily observable from actively quoted market prices.

    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 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: 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 and embedded derivatives.

(₹ Millions)

Particulars	Level 1	Level 2	Level 3
March 31, 2012			
Financial assets			
Derivative financial assets	-	4,893	-
Held for trading securities - quoted	16,141	-	-
Financial liabilities			
Derivative financial Liabilities	-	567	-
March 31, 2011			
Financial assets			
Derivative financial assets	-	4,680	-
Held for trading securities - quoted	6,125	-	-
Financial liabilities			
Derivative financial Liabilities	-	468	-

During the year ended March 31, 2012, 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.

33. 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 the years ended March 31, 2012 and March 31, 2011, respectively, are described below:

(₹ Millions)

Relationship	Year ended March 31, 2012			Year ended March 31, 2011		
	Significant influence entities	Associates	Other related parties	Significant influence entities	Associates	Other related parties
Purchase of assets	-	(3,010)	(1,907)	-	(3,577)	(1,508)
Sale/transfer of assets	-	0	-	-	6	-
Sale of Investment	-	-	-	-	-	224
Sale/Rendering of Services	1,049	9,081	88	1,096	39	162
Purchase/Receiving of Services	(582)	(2,274)	(3,259)	(719)	(1,875)	(2,264)
Loans to related party	-	172	-	-	200	-
Expenses incurred by the group on behalf of Related Party	-	23	16	-	46	19
Expenses incurred by Related Party for the group	(25)	-	(619)	-	-	(736)
Security deposit paid	-	-	82	-	-	522
Security deposit received	-	-	(8)	-	-	(352)
Interest Income on Loan	-	46	-	-	22	-
Dividend Paid	(2,319)	-	(266)	(2,317)	-	(259)
Closing Balances	351	(664)	969	413	(511)	1,199
Due from related parties	351	258	1,243	413	210	1,315
Due to related parties	-	(922)	(274)	-	(721)	(116)

Summary of transactions with Joint Ventures (JVs)*:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sale of fixed assets/retirement of bandwidth	654	244
Rendering of services	5,319	5,354
Receiving of services	(26,876)	(24,748)
Reimbursement of energy expenses	(15,058)	(12,215)
Security deposit/Advances paid	173	29
Security deposit/Advances received	-	(2,360)
Loan given	1,206	4,822
Closing balance*	11,085	6,307
Due from JVs	18,002	17,018
Due to JVs	(6,917)	(10,711)

*Transactions above have not been proportionated 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 ₹ 124 Mn and ₹ 107 Mn on account of donation given to Bharti Foundation and Satya Electoral Trust during the years ended March 31, 2012 and March 31, 2011 respectively.

Purchase of assets – includes primarily purchase of bandwidth, computer software, telephone instruments and network equipments.

Expenses incurred by/for the Group – include 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 – includes 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:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Short-Term employee benefits	307	356
Post-Employment benefits		
Defined Contribution Scheme	13	16
Defined Benefit Scheme*	-	-
Share-based payment**	-	221
	320	593

*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 amortization over the vesting periods.

34. LEASE DISCLOSURE

Operating Lease

As lessee, the Group's and its joint ventures' obligations arising from non-cancellable lease are mainly related to lease arrangements for passive infrastructure and real estate. These leases have various extension options and escalation clause. 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:-

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Obligations on non-cancellable leases :		
Not later than one year	22,132	28,936
Later than one year but not later than five years	70,494	64,258
Later than five years	82,909	92,308
Total	175,535	185,502
Lease Rentals (Excluding Lease Equalisation Adjustment of ₹ 1,307 Mn and ₹ 1,627 Mn for the year ended March 31, 2012 and March 31, 2011)	36,164	29,160

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.

As lessor, the Group's and its joint ventures' receivables arising from non-cancellable lease are mainly related to lease arrangements for passive infrastructure.

The future minimum lease payments receivable, **as lessor** are as follows:-

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Receivables on non-cancellable leases :		
Not later than one year	18,931	16,836
Later than one year but not later than five years	60,490	54,912
Later than five years	44,908	50,833
Total	124,329	122,581

Finance Lease – As a Lessee

(i) Finance lease obligation of the Group as of March 31, 2012 is as follows

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	0	0	0
Later than one year but not later than five years	1	0	1
Later than five years	-	-	-
Total	**1**	**0**	**1**

(ii) Finance lease obligation of the Group as of March 31, 2011 is as follows:

(₹ Millions)

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**

35. COMMITMENTS AND CONTINGENCIES

(i) Commitments

a. Capital commitments

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Contracts placed for future capital expenditure not provided for in the financial statements	157,179	191,905

The above includes ₹ 67,322 Mn as of March 31, 2012 (₹ 70,908 Mn as of March 31, 2011), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts i.e. between 2-10 years, since it is not possible for the Group to determine the extent of assets and services under the contract over the unexpired period. However, the actual charges/payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

The above also includes ₹ 912 Mn as of March 31, 2012, (₹ 3,833 Mn as of March 31, 2011), pertaining to Joint Ventures.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Financial bank guarantees*	36,015	28,233
Guarantees to third parties	2,558	2,233

** The above includes corporate guarantees issued by the Company of ₹ 2,385 Mn and ₹ 2,425 Mn as of March 31, 2012 and March, 31, 2011 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies.*

(ii) Contingencies

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Taxes, Duties and Other demands(under adjudication/appeal/dispute)		
- Sales Tax and Service Tax	**10,495**	6,491
- Income Tax	**23,489**	9,182
- Access Charges/Port Charges	**4,821**	3,941
- Customs Duty	3,083	2,642
- Entry Tax	**4,293**	3,872
- Stamp Duty	**620**	579
- Municipal Taxes	**923**	493
- DoT demands	**3,370**	1,073
- Other miscellaneous demands	**1,410**	1,869
- Claims under legal cases including arbitration matters	**3,025**	591
Total	**55,529**	30,733

The above also includes ₹ 1,537 Mn as of March 31, 2012, (₹ 108 Mn as of March 31, 2011), pertaining to Joint Ventures.

Post the Hon'ble Supreme Court Judgment on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realized and unrealized foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above.

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities. Currently, the Group and its joint ventures have operations in India, South Asia region and Africa region.

a) Sales and Service Tax

The claims for sales tax as of March 31, 2012 and 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. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

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. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

The service tax demands as at March 31, 2012 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) Income Tax demand

Income tax demands under appeal mainly included the appeals filed by the Group before various appellate authorities against the disallowance of certain expenses being claimed under tax by income tax authorities, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges, etc. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

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.

Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised. Accordingly, no amounts have been accrued although some have been paid under protest.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying 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 Aug 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 Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

In another issue with respect to Port Charges, 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 29th May 2010. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

d) Customs Duty

The custom authorities, in some states, demanded ₹ 3,083 Mn as of March 31, 2012 (₹ 2,642 Mn as of March 31, 2011) 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 operating software exempt from any custom duty. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

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. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised. The amount under dispute as of March 31, 2012 is ₹ 4,293 Mn (₹ 3,872 Mn as of March 31, 2011).

f) 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 roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

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

iii. DoT demands also include the following contentious matters:-

   a. In respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address/Identity in a mobility circle.

b. In respect of invalid calling line identification (CLI) appearing in calls made to BSNL for certain promotional business calls in a mobility Circle.

c. In respect of alleged non compliance to certain license conditions related to renting/transfer of sim cards in a mobility circle.

d. In respect of provision of IPLC services to a non-licensed entity which has directly sold the same to a customer located in India in Airtel Business.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

During January, 2012, DoT has issued a show cause notice to the Company for alleged short payment of Licence Fee of ₹ 3,019 Mn including interest for the year 2006-07 and 2007-08. The company has submitted its reply against the same and is confident that there will be no amounts payable in this regard.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited (formerly known as Celtel Nigeria Limited), an indirect subsidiary of the Company, is a defendant in several cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire a 65% controlling stake in Airtel Networks Limited in 2006, the selling shareholders were obliged under the pre-emption right provision contained in the shareholders agreement dated 30 April 2002 (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 Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. 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, Bharti Airtel Nigeria BV, which is the current owner of 65.7% of the equity in Airtel Networks Limited has been defending these cases vigorously since the arbitration was commenced.

On 22 December 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. The Tribunal has ordered a damages hearing, however, no date has been set. On 3 February 2012, Bharti Airtel Nigeria BV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, Bharti Airtel Nigeria BV has filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award has been determined. This application to set aside the Partial Final Award is to be heard by the Lagos State High Court on June 4, 2012.

Given the low probability of any material adverse effect to the Company's consolidated financial position and the indemnities in the share sale agreement concluded with the Zain Group in 2010, the Company determined that it was appropriate not to provide for this matter in the financial statements. Further, the estimate of the realistic financial impact of any damages, if any, cannot be made at this time.

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 Limited acquisition in 2006). The court of first instance has recently held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the 65.7 percent held by Bharti Airtel on a fully diluted basis in Airtel Networks Limited, the Company believes that there are good grounds to appeal the first instance judgment. The Company has already filed a Notice of Appeal and made two further applications before the Federal High Court for a stay of execution of judgment pending appeal and a motion for injunction, both applications were heard on March 13, 2012 and the Ruling is reserved for May 7, 2012.

36. 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)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Weighted average shares outstanding- Basic	3,795	3,795
Effect of dilutive securities on account of ESOP	1	0
Weighted average shares outstanding- diluted	**3,796**	3,795

Income available to common stockholders of the Group used in the basic and diluted earnings per share were determined as follows:

(₹ Millions)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net profit available to common stockholders of the Group	42,594	60,467
Effect on account of ESOP on earnings for the year	-	-
Net profit available for computing diluted earnings per share	42,594	60,467
Basic Earnings per Share	11.22	15.93
Diluted Earnings per Share	11.22	15.93

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. 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.

37. 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 ventures 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 senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Group are accountable to the Board Audit Committee. This process 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 or 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, 2012 and March 31, 2011.

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 income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2012 and March 31, 2011.

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 appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD, Lankan Rupee, Japanese Yen and other currencies, with all other variables held constant. The impact on the Group's and its joint ventures' profit before tax is due to changes in the fair value of monetary assets and liabilities including non designated foreign currency derivatives. The impact on Group's and joint venture's equity is due to change in the fair value of intra-group monetary items that form part of net investment in foreign operation.

(₹ Millions)

Particulars	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2012			
US Dollars	+5%	(4,574)	(1,805)
	-5%	4,574	1,805
Lankan Rupee	+5%	-	552
	-5%	-	(552)
Japanese Yen	+5%	(189)	-
	-5%	189	-
Others	+5%	25	-
	-5%	(25)	-
For the year ended March 31, 2011			
US Dollars	+5%	(5,196)	-
	-5%	5,196	-
Japanese Yen	+5%	(1,027)	-
	-5%	1,027	-

• 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 ventures enters into interest rate swaps, whereby it 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, 2012, after taking into account the effect of interest rate swaps, approximately 8.85% of the Group's and its joint ventures' borrowings are at a fixed rate of interest (March 31, 2011: 3.78%).

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.

(₹ Millions)

Interest rate sensitivity	Increase/decrease in basis points	Effect on profit before tax
For the year ended March 31, 2012		
INR - borrowings	+100	(994)
	-100	994
Japanese Yen - borrowings	+100	(50)
	-100	50
US Dollar -borrowings	+100	(4,805)
	-100	4,805
Nigerian Naira - borrowings	+100	(444)
	-100	444
Other Currency -borrowings	+100	(23)
	-100	23
For the year ended March 31, 2011		
INR - borrowings	+100	(910)
	-100	910
Japanese Yen - borrowings	+100	(94)
	-100	94
US Dollar -borrowings	+100	(3,765)
	-100	3,765
Nigerian Naira - borrowings	+100	(352)
	-100	352
Other Currency -borrowings	+100	(4)
	-100	4

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 debt 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 ventures are 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 ventures 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 Airtel Business 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 ageing analysis of trade receivables as of the reporting date is as follows:

(₹ Millions)

Particulars	Neither past due nor impaired (including unbilled)	Past due but not impaired				
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
Trade Receivables March 31, 2012	21,018	13,354	5,751	3,746	11,273	55,142
Trade Receivables March 31, 2011	20,034	10,977	6,609	3,929	5,069	46,618

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 20 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 Board approved 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, 2012 and March 31, 2011 is the carrying amounts as disclosed in Note 32 except for financial guarantees. The Group's and its joint ventures' maximum exposure for financial guarantees is given in Note 35.

• 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 as also keeps a constant effort to continue to diversify its sources of financing including bilateral financing or market based, both in loan and bond markets.

The table below summarizes the maturity profile of the Group's and its joint ventures' financial liabilities based on contractual undiscounted payments:-

(₹ Millions)

Particulars	As of March 31, 2012						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*	690,232	512	102,142	118,513	105,955	455,481	**782,603**
Financial derivatives	567	-	82	84	80	321	**567**
Other liabilities	23,076	-	-	-	10,893	12,183	**23,076**
Trade and other payables	232,650	-	232,650	-	-	-	**232,650**
	946,525	**512**	**334,874**	**118,597**	**116,928**	**467,985**	**1,038,896**

(₹ Millions)

Particulars	As of 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	**-**	**320,835**	**25,102**	**134,902**	**472,580**	**953,419**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period, over the tenor of the borrowings.

The derivative financial instruments disclosed 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, 2012 and March 31, 2011.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(₹ Millions)

Particulars	As of March 31, 2012	As of March 31, 2011
Loans & Borrowings	690,232	616,708
Less: Cash and Cash Equivalents	20,300	9,575
Net Debt	669,932	607,133
Equity	506,113	487,668
Total Capital	506,113	487,668
Capital and Net Debt	1,176,045	1,094,801
Gearing Ratio	57.0%	55.5%

38. NEW COMPANIES/OPERATIONS

a) On April 5, 2011, Airtel DTH Services Congo (RDC) S.p.r.l. 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.).

b) On April 5, 2011, Airtel Mobile Commerce Madagascar S.A. had been incorporated as a wholly owned subsidiary of Airtel Mobile Commerce B.V. (formerly known as Zap Mobile commerce B.V) (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.). Airtel Mobile Commerce B.V. had invested ₹ 0.05 Mn in the newly incorporated company.

c) On April 5, 2011, Congo RDC Towers S.p.r.l. had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.).

d) On May 17, 2011, Gabon 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) B.V.). Africa Towers N.V. had invested ₹ 1 Mn in the newly incorporated company.

e) On May 26, 2011, Airtel DTH Services Gabon S.A. had been incorporated as a wholly owned subsidiary of Bharti Airtel DTH Holdings N.V. (a wholly-owned subsidiary of Bharti Airtel Africa B.V.). Bharti Airtel DTH Holdings N.V. had invested ₹ 0.7 Mn in the newly incorporated company.

f) On June 26, 2011, Bangladesh Infratel Networks Limited had been incorporated as the wholly owned subsidiary of Airtel Bangladesh Limited (a subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd). Airtel Bangladesh Limited had invested ₹ 0.06 Mn in the newly incorporated company.

g) On July 8, 2011, Aero Ventures Limited, Mauritius had been incorporated as a wholly owned subsidiary of Network i2i Limited (a wholly owned subsidiary of Bharti Airtel Limited). Network i2i Limited had invested ₹ 48.93 towards subscription of 1 share of USD 1 in the newly incorporated company. During the year Network i2i Limited had made further investment of ₹ 2,410 Mn. On March 20, 2012, Network i2i Limited sold its entire equity stake in Aero Ventures Limited to Malaysian Jet Services Sdn. Bhd., Malaysia for a total consideration of ₹ 2,543 Mn (USD 50.6 Mn).

h) On August 15, 2011, Bharti Airtel Cameroon B.V (formerly known as Bharti Airtel Rwanda Holdings B.V.) had been incorporated as a wholly owned subsidiary of Bharti Airtel Africa B.V. (a wholly-owned subsidiary of Bharti Airtel International (Netherlands) B.V.). Bharti Airtel Africa B.V. had invested ₹ 1.15 Mn in the newly incorporated company.

i) On September 2, 2011, Airtel Rwanda Limited had been incorporated as a wholly owned subsidiary of Bharti Airtel Cameroon B.V (formerly known as Bharti Airtel Rwanda Holdings B.V., a wholly-owned subsidiary of Bharti Airtel Africa B.V.). Subsequently, on September 15, 2011, Bharti Airtel Cameroon B.V. had transferred 100% of its holdings in the newly incorporated company to Zebrano (Mauritius) Limited (formerly known as Zain (IP) Mauritius Limited) (a wholly-owned subsidiary of Bharti Airtel Africa B.V.).

j) On September 8, 2011, Africa Towers Services Limited had been incorporated as the jointly owned entity of Africa Towers N.V. (a wholly-owned subsidiary of Bharti Airtel International (Netherlands) B.V.) and Bharti Airtel International (Netherlands) B.V.

k) On September 12, 2011, Rwanda Towers Limited had been incorporated as a wholly owned subsidiary of Africa Towers N.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.).

l) During the year ended March 31, 2012, the Group has completed the launch of 3G services in all its eligible licensed circles in India and launched Airtel Money at Pan India level. In respect of Africa operations, 3G services were commenced in select countries and commercial operations were launched in Rwanda, newly acquired license.

39. ADDITIONAL INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

a) The Company had invested ₹ 201 Mn in Bharti Airtel International (Mauritius) Limited during the year ended March 31, 2012 and holds 100% shareholding as of March 31, 2012.

b) The Company had invested ₹ 211 Mn in Bharti International (Singapore) Pte Limited during the year ended March 31, 2012 and the Group holds 100% shareholding as of March 31, 2012.

c) The Company had invested ₹ 480 Mn in Airtel M Commerce Services Limited during the year ended March 31, 2012, out of which equity shares of ₹ 20 Mn were acquired from Bharti Airtel Services Limited and ₹ 280 Mn have been invested during the quarter ended March 31, 2012.

   The Company holds 100% shareholding as of March 31, 2012.

d) The Company has invested ₹ 98 Mn for its proportionate share in Bharti Teleports Limited, during the year ended March 31, 2012 and continues to hold 49% of the total shareholding as of March 31, 2012.

40. 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:-

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
1	Bharti Airtel Services Limited	India	Administrative support to Bharti Group and trading activities	100	100
2	Network i2i Limited	Mauritius	Submarine Cable System	100	100
3	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100
4	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100
5	Bharti Airtel (Canada) Limited	Canada	Telecommunication services	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100
7	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	Investment Company	100	100
8	Bharti Airtel Lanka (Pvt) Limited	Sri Lanka	Telecommunication services	100	100
9	Bharti Infratel Lanka (Pvt) Limited	Sri Lanka	Passive infrastructure Services	100	100
10	Bharti Hexacom Limited	India	Telecommunication services	70	70
11	Bharti Infratel Limited ("BIL")	India	Passive infrastructure Services	86.09	86.09
12	Bharti Infratel Ventures Limited("BIVL")	India	Passive infrastructure Services	86.09	86.09
13	Bharti Telemedia Limited	India	Direct To Home services	95	95
14	Airtel Bangladesh Limited (formerly Warid Telecom International Limited)	Bangladesh	Telecommunication services	70	70
15	Bharti International (Singapore) Pte. Ltd	Singapore	Telecommunication services	100	100
16	Bharti Airtel International (Netherlands) B.V	Netherlands	Investment Company	100	100
17	Airtel M Commerce Services Limited	India	Mobile commerce services	100	100
18	Bharti Airtel International (Mauritius) Ltd	Mauritius	Investment Company	100	100
19	Bharti Airtel Japan Kabushiki Kaisha	Japan	Telecommunication services	100	100
20	Bharti Airtel France SAS	France	Telecommunication services	100	100
21	Aero Ventures Limited#	Mauritius	Aviation Management Services	-	-
22	Bangladesh Infratel Networks Limited	Bangladesh	Passive infrastructure Services	100	-
23	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	100
24	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	100
25	Airtel Burkina Faso S.A. (Formerly known as Celtel Burkina Faso S.A.)	Burkina Faso	Telecommunication services	100	100
26	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
27	Celtel Tchad S.A.	Chad	Telecommunication services	100	100
28	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
29	Celtel Gabon S.A.	Gabon	Telecommunication services	90	90
30	Bharti Airtel Cameroon Holdings B.V.	Netherlands	Investment Company	100	100
31	Celtel Cameroon S.A.	Cameroon	Telecommunication services	100	100
32	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
33	Airtel Congo S.A. (Formerly known as Celtel Congo S.A.)	Congo Brazzavile	Telecommunication services	90	90
34	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100

Contd...

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group As of March 31, 2012 %	As of March 31, 2011 %
35	Partnership Investments Sprl	Democratic Republic of Congo	Investment Company	**100**	100
36	Celtel Congo (RDC) S.a.r.l.	Democratic Republic of Congo	Telecommunication services	**98.5**	98.5
37	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	**100**	100
38	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	**100**	100
39	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	**100**	100
40	Airtel Networks Kenya Limited (Formerly known as Celtel Kenya Ltd.)	Kenya	Telecommunication services	**100**	100
41	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	**100**	100
42	Airtel Malawi Limited (Formerly known as Celtel Malawi Ltd)	Malawi	Telecommunication services	**100**	100
43	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	**100**	100
44	Celtel Niger S.A.	Niger	Telecommunication services	**90**	90
45	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	**100**	100
46	Airtel (SL) Limited	Sierra Leone	Telecommunication services	**100**	100
47	Celtel Zambia Plc	Zambia	Telecommunication services	**96.36**	96.36
48	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	**100**	100
49	Airtel Uganda Limited (Formerly known as Celtel Uganda Ltd.)	Uganda	Telecommunication services	**100**	100
50	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	**100**	100
51	Airtel Tanzania Limited (Formerly known as Celtel Tanzania Ltd.)	Tanzania	Telecommunication services	**60**	60
52	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	**100**	100
53	Channel Sea Management Company Mauritius Limited	Mauritius	Investment Company	**100**	100
54	Zebrano (Mauritius) Limited (Formerly known as Zain (IP) Mauritius Limited)	Mauritius	Investment Company	**100**	100
55	Montana International S.A	Mauritius	Investment Company	**100**	100
56	Airtel Madagascar S.A. (Formerly Celtel Madagascar S.A.)	Madagascar	Telecommunication services	**100**	100
57	Bharti Airtel Nigeria Holdings B.V.	Netherlands	Investment Company	**100**	100
58	MSI-Celtel Nigeria Limited	Nigeria	Investment Company	**100**	100
59	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	**100**	100
60	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	**100**	100
61	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	**100**	100
62	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	Ghana	Telecommunication services	**75**	75
63	Bharti Airtel Acquisition Holdings B.V.	Netherlands	Investment Company	**100**	100
64	Bharti Airtel Services B.V.	Netherlands	Investment Company	**100**	100
65	Airtel Networks Limited (Formerly known as Celtel Nigeria Ltd.)	Nigeria	Telecommunication services	**65.7**	65.7

Contd...

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group As of March 31, 2012 %	As of March 31, 2011 %
66	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
67	Airtel Mobile Commerce Limited (formely known as Zap Trust Company Ltd. (Malawi))	Malawi	Mobile commerce services	100	100
68	Airtel Mobile Commerce (Kenya) Limited (formely known as Zap Trust Company Ltd. (Kenya))	Kenya	Mobile commerce services	100	100
69	Airtel Mobile Commerce (Ghana) Limited (formely known as Zap Trust Company Ltd. (Ghana))	Ghana	Mobile commerce services	100	100
70	Celtel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100
71	ZMP Limited	Zambia	Mobile commerce services	100	100
72	Airtel Mobile Commerce (SL) Limited (formely known as Zap Trust Company (SL) Ltd.)	Sierra Leone	Mobile commerce services	100	100
73	Airtel Mobile Commerce Tchad S.a.r.l. (formely known as Zap Mobile Commerce Tchad S.a.r.l.)	Chad	Mobile commerce services	100	100
74	Airtel Mobile Commerce B.V. (formerly known Zap Mobile Commerce B.V.)	Netherlands	Investment Company	100	100
75	Mobile Commerce Gabon S.A.	Gabon	Mobile commerce services	100	100
76	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	100
77	Airtel Money Niger S.A. (formerly known Zap Niger S.A. (Niger))	Niger	Mobile commerce services	100	100
78	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
79	Airtel Mobile Commerce Holdings B.V. (formerly known as Zap Holdings B.V.)	Netherlands	Investment Company	100	100
80	Zap Trust Company Nigeria Ltd.	Nigeria	Mobile commerce services	100	100
81	Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
82	Airtel (Seychelles) Limited (formerly known as Telecom (Seychelles) Limited)	Seychelles	Telecommunication services	100	100
83	Airtel Mobile Commerce Tanzania Limited (formely known as Zap Trust Company Tanzania Ltd.)	Tanzania	Mobile commerce services	100	100
84	Airtel Mobile Commerce Uganda Limited (formerly known as Zap Trust Company Uganda Ltd.)	Uganda	Mobile commerce services	100	100
85	Uganda Towers Limited	Uganda	Infrastructure sharing services	100	100
86	Airtel DTH Services Ghana Limited	Ghana	Direct To Home services	100	100
87	Airtel DTH Services Malawi Limited	Malawi	Direct To Home services	100	100
88	Airtel DTH Services Uganda Limited	Uganda	Direct To Home services	100	100
89	Africa Towers N.V.	Netherlands	Investment Company	100	100
90	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	100	100
91	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	100
92	Airtel Direct-to-Home Services (Kenya) Limited (formely known as Airtel DTH Services (Kenya) Limited)	Kenya	Direct To Home services	100	100

Contd...

S. no	Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group As of March 31, 2012 %	As of March 31, 2011 %
93	Airtel DTH Services (SL) Limited	Sierra Leone	Direct To Home services	**100**	100
94	Airtel DTH Service Burkina Faso S.A.	Burkina Faso	Direct To Home services	**100**	100
95	Airtel DTH Services Congo S.A.	Congo Brazzavile	Direct To Home services	**100**	100
96	Airtel DTH Services Madagascar S.A.	Madagascar	Direct To Home services	**100**	100
97	Airtel DTH Services Niger S.A.	Niger	Direct To Home services	**100**	100
98	Airtel DTH Services Nigeria Limited	Nigeria	Direct To Home services	**100**	100
99	Airtel DTH Services Tchad S.A.	Chad	Direct To Home services	**100**	100
100	Airtel DTH Services Tanzania Limited	Tanzania	Direct To Home services	**100**	100
101	Bharti DTH Services Zambia Limited	Zambia	Direct To Home services	**100**	100
102	Airtel Towers (SL) Company Limited	Sierra Leone	Infrastructure sharing services	**100**	100
103	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	**100**	100
104	Congo Towers S.A.	Congo Brazzavile	Infrastructure sharing services	**100**	100
105	Kenya Towers Limited	Kenya	Infrastructure sharing services	**100**	100
106	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	**100**	100
107	Mobile Commerce Congo S.A.	Congo Brazzavile	Mobile commerce services	**100**	100
108	Niger Towers S.A.	Niger	Infrastructure sharing services	**100**	100
109	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	**100**	100
110	Tchad Towers S.A.	Chad	Infrastructure sharing services	**100**	100
111	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	**100**	100
112	Bharti Airtel Developers Forum Limited (formely known as Zain Developers Forum)	Zambia	Investment Company	**100**	100
113	Zambian Towers Limited	Zambia	Infrastructure sharing services	**100**	100
114	Airtel Money (RDC) S.p.r.l.	Democratic Republic of Congo	Mobile commerce services	**100**	100
115	Airtel Mobile Commerce Burkina Faso S.A. (formerly known as Zap Trust Burkina Faso S.A.)	Burkina Faso	Mobile commerce services	**100**	100
116	Airtel DTH Services Congo (RDC) S.p.r.l.	Democratic Republic of Congo	Direct to Home Services	**100**	-
117	Airtel DTH Services Gabon S.A.	Gabon	Direct to Home Services	**100**	-
118	Congo RDC Towers S.p.r.l.	Democratic Republic of Congo	Infrastructure sharing services	**100**	-
119	Gabon Towers S.A.	Gabon	Infrastructure sharing services	**100**	-
120	Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	**100**	-
121	Bharti Airtel Cameroon B.V. (formerly known as Bharti Airtel Rwanda Holdings B.V.)	Netherlands	Investment Company	**100**	-
122	Airtel Rwanda Limited	Rwanda	Telecommunications company	**100**	-
123	Africa Towers Services Limited	Kenya	Infrastructure sharing services	**100**	-
124	Rwanda Towers Limited	Rwanda	Infrastructure sharing services	**100**	-

Please refer note 38 (g)

S. no	Name of associates	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
1	Bharti Teleports Limited	India	Uplinking channels for broadcasters	**49**	49
2	Alcatel Lucent Network Management Services India Ltd	India	Telecommunication services	**26**	26
3	Tanzania Telecommunications Company Limited	Tanzania	Telecommunication services	**35**	35

S. no	Name of joint ventures	Country of incorporation	Principal activities	Percentage of holding (direct/indirect) by the Group	
				As of March 31, 2012 %	As of March 31, 2011 %
1	Indus Towers Limited *	India	Passive infrastructure services	**36.16***	36.16*
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	**10**	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	**14.28**	14.28

* Bharti Infratel Limited ("BIL"), in which the Group has 86.09% equity interest, owns 42% of Indus Towers Limited.

41. During the year ended March 31, 2012, a fire incident had occurred at one of the premises of the Company. The insurance company has been notified about the loss and a preliminary survey has been carried out. The Company is in the process of completing the necessary documentation for claiming the insurance amount. The Company is confident of recovering the full value of the loss amount from the insurer.

42. Bharti Infratel Limited ('BIL') demerged its undertaking comprising passive telecom infrastructure in 12 circles and merged the same with Bharti Infratel Ventures Limited (wholly owned subsidiary) through scheme of arrangement approved by the Hon'ble High court of Delhi. The Scheme did not have any impact on the consolidated financial results of the Group prepared in accordance with the IFRS.

On May 31, 2011, the Subsidiary Company "Bharti Infratel Ventures Limited" filed a scheme of merger before Hon'ble High Court of Delhi whereby the Subsidiary Company will merge with Indus Towers Limited, a joint venture company of the Group, with appointed date as April 1, 2009. The carrying value of assets and liabilities of the subsidiary company as of March 31, 2012 is ₹ 53,518 Mn and ₹ 9,983 Mn respectively. Similarly, under the respective merger scheme, the other joint venturers will also contribute in proportion to their shareholding.

43. The following accounting policies have been changed and corresponding comparative figures have been reclassified where appropriate to conform to the current year's presentation in these financial statements:

(i) During the year ended March 31, 2012, considering the practice followed by global telecom companies and significant volatility in foreign currency exchange rates, the Group has changed the presentation of statement of comprehensive income from a single statement to two statements to improve the understandability of the effect of foreign currency translation on the Group's financial performance.

(ii) Short term borrowings having a maturity period of three months or less were presented on a gross basis under proceeds from issuance of borrowings ₹ 13,900 Mn and repayment of borrowings ₹ 9,600 Mn in the statement of cash flows during the comparative previous year ended March 31, 2011. During the year ended March 31, 2012, the Group has reassessed the presentation and have presented the same on a net basis in a separate line item as short term borrowings (net) to improve the understandability of the effect of short term borrowings.

(iii) During the comparative previous year ended March 31, 2011, 'other income' and 'non-operating expenses' were presented after 'Profit/(Loss) from operating activities' in the income statement. The Group has reassessed the presentation and reclassified these as 'other operating income'/'revenue' and to 'operating expenses', respectively. The amounts involved are not material.

Further previous year's figures in the notes to consolidated financial statements have been reclassified/restated, wherever required to confirm to the current year's presentation.

The above do not affect previously reported net profit or shareholders' equity.

STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share 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	(a) (h)	India	INR	March 31, 2012	1.000	2,500	29,391	40,334	8,443	7,067	33,791	7,657	1,639	6,018	145
2	Network i2i Limited	(a)	Mauritius	USD	March 31, 2012	51.157	460	5,538	20,446	14,448	-	3,838	2,740	95	2,645	-
3	Bharti Airtel Services Limited	(a)	India	INR	March 31, 2012	1.000	1	(601)	1,966	2,566	46	4,400	(143)	13	(156)	-
4	Bharti Infratel Limited ("BIL")	(a)	India	INR	March 31, 2012	1.000	5,808	141,537	179,851	32,506	802	41,582	6,867	2,375	4,492	-
5	Bharti Telemedia Limited	(a)	India	INR	March 31, 2012	1.000	102	(19,805)	23,418	43,121	240	12,959	(7,611)	-	(7,611)	-
6	Airtel Bangladesh Limited (formerly Warid Telecom International Limited)	(a)	Bangladesh	BDT	March 31, 2012	0.626	28,774	(26,114)	19,755	17,095	-	6,588	(4,280)	34	(4,314)	-
7	Bharti Airtel (UK) Limited	(a)	United Kingdom	GBP	March 31, 2012	81.799	27	238	514	249	-	34	(94)	(6)	(88)	-
8	Bharti Airtel (Canada) Limited	(a)	Canada	CAD	March 31, 2012	51.070	4	(67)	2	65	-	1	(5)	-	(5)	-
9	Bharti Airtel Lanka (Pvt) Limited	(a)	Sri Lanka	LKR	March 31, 2012	0.399	2,097	(9,527)	7,411	14,841	-	2,503	(2,484)	3	(2,487)	-
10	Bharti Airtel Holdings (Singapore) Pte Ltd	(a)	Singapore	SGD	March 31, 2012	40.520	19,116	(494)	19,701	1,079	-	-	(2)	(34)	32	-
11	Bharti Airtel (USA) Limited	(a)	United States of America	USD	March 31, 2012	51.157	0	(304)	778	1,082	-	426	(40)	10	(50)	-
12	Bharti Infratel Ventures Limited ("BIVL")	(a)	India	INR	March 31, 2012	1.000	1	53,388	64,244	10,855	-	4,649	167	57	110	-
13	Bharti Airtel (Hongkong) Limited	(a)	Hongkong	HKD	March 31, 2012	6.554	33	(138)	267	372	-	33	(99)	2	(101)	-
14	Bharti International (Singapore) Pte. Ltd	(a) (k)	Singapore	USD	March 31, 2012	51.157	6,323	(5,509)	142,502	141,688	109,090	3,878	(1,847)	(3)	(1,844)	-
15	Bharti Infratel Lanka (Pvt) Limited	(e)	Sri Lanka	LKR	March 31, 2012	0.399	-	-	-	-	-	-	-	-	-	-
16	Bharti Airtel Japan Kabushiki Kisha	(a)	Japan	JPY	March 31, 2012	0.624	0	4	22	18	-	2	(16)	1	(17)	-
17	Bharti Airtel France SAS	(a)	France	EUR	March 31, 2012	68.340	1	64	69	4	-	21	14	5	9	-
18	Airtel M Commerce Services Limited	(a)	India	INR	March 31, 2012	1.000	500	(465)	514	479	-	10	(444)	-	(444)	-
19	Bharti Airtel International (Mauritius) Ltd	(a) (k)	Mauritius	INR	March 31, 2012	1.000	4,832	(4)	14,011	9,183	4,825	-	(0)	-	(0)	-
20	Bangladesh Infratel Networks Limited	(e)	Bangladesh	BDT	March 31, 2012	0.626	0	-	0	-	-	-	-	-	-	-
21	Airtel (Seychelles) Limited (formerly known as Telecom (Seychelles) Limited)	(b)	Seychelles	SCR	December 31, 2011	3.654	4	287	526	235	-	753	263	28	235	-
22	Airtel (SL) Limited	(b)	Sierra Leone	SLL	December 31, 2011	0.012	94	(790)	4,360	5,056	-	3,038	607	(448)	1,055	-
23	Airtel Burkina Faso S.A. (Formerly known as Celtel Burkina Faso S.A.)	(a) (i)	Burkina Faso	XOF	December 31, 2011	0.104	260	4,700	15,670	10,710	-	7,510	1,861	728	1,133	2,101
24	Airtel Congo S.A. (Formerly known as Celtel Congo S.A.)	(b)	Congo Brazzavile	XAF	December 31, 2011	0.104	541	2,403	13,495	10,552	-	8,796	(954)	8	(962)	-
25	Airtel Ghana Limited (Formerly known as Bharti Airtel Ghana Ltd.)	(a) (j)	Ghana	GHC	December 31, 2011	28.780	4,614	(13,166)	18,090	26,642	-	8,426	(4,953)	(1,497)	(3,456)	-
26	Airtel Madagascar S.A. (Formerly Celtel Madagascar S.A.)	(a)	Madagascar	MGA	December 31, 2011	0.024	20	(1,643)	7,028	8,651	-	4,181	(198)	70	(268)	-
27	Airtel Malawi Limited (Formerly known as Celtel Malawi Ltd)	(b)	Malawi	MWK	December 31, 2011	0.308	0	4,294	12,225	7,931	-	7,596	1,643	550	1,093	-
28	Airtel Networks Kenya Limited (Formerly known as Celtel Kenya Ltd.)	(a) (j)	Kenya	KES	December 31, 2011	0.617	15,573	(20,795)	19,245	24,466	-	6,943	(4,307)	132	(4,439)	-
29	Airtel Networks Limited (Formerly known as Celtel Nigeria Ltd.)	(a)	Nigeria	NGN	December 31, 2011	0.329	66	16,100	135,189	119,023	-	67,026	(6,210)	(170)	(6,040)	-
30	Airtel Rwanda Limited	(c)	Rwanda	RWF	December 31, 2011	0.084	-	(21)	1,518	1,539	-	-	(21)	-	(21)	-
31	Airtel Tanzania Limited (Formerly known as Celtel Tanzania Ltd.)	(a)	Tanzania	TZS	December 31, 2011	0.032	1,318	(2,034)	23,542	24,258	-	11,646	(3,740)	(819)	(2,921)	-
32	Airtel Uganda Limited (Formerly known as Celtel Uganda Ltd.)	(a) (j)	Uganda	UGS	December 31, 2011	0.020	257	(2,597)	10,279	12,619	-	5,240	(1,566)	-	(1,566)	-
33	Celtel Congo (RDC) S.a.r.l.	(b)	Democratic Republic of Congo	CDF	December 31, 2011	0.055	6	7,161	42,136	34,969	-	18,317	(3,523)	24	(3,547)	-
34	Celtel Gabon S.A.	(a) (i)	Gabon	XAF	December 31, 2011	0.104	624	7,598	15,950	7,728	-	14,194	5,353	1,156	4,197	1,040
35	Celtel Niger S.A.	(b)	Niger	XOF	December 31, 2011	0.104	156	5,187	14,644	9,301	-	7,903	1,147	516	631	-

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(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share 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
36	Celtel Tchad S.A.	(a)	Chad	XAF	December 31, 2011	0.104	395	(1,639)	13,361	14,605	-	5,093	(1,096)	76	(1,172)	-
37	Celtel Zambia Plc	(a)(g)(i)	Zambia	ZMK	March 31, 2012	0.010	10	12,000	21,039	9,029	-	18,843	6,046	2,998	3,048	1,008
38	Africa Towers N.V.	(c)	Netherlands	USD	March 31, 2012	51.157	3	(6)	163	166	-	-	(6)	-	(6)	-
39	Airtel Mobile Commerce B.V. (formerly known Zap Mobile Commerce B.V.)	(c)	Netherlands	USD	March 31, 2012	51.157	1	(0)	130	129	-	-	(0)	-	(0)	-
40	Airtel Mobile Commerce Holdings B.V. (formerly known as Zap Holdings B.V.)	(c)	Netherlands	USD	March 31, 2012	51.157	1	(0)	1	-	-	-	0	-	0	-
41	Bharti Airtel Acquisition Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	587	587	-	-	-	0	-	0	-
42	Bharti Airtel Africa B.V.	(b)	Netherlands	USD	March 31, 2012	51.157	40	50,436	238,133	187,657	-	-	1,543	-	1,543	-
43	Bharti Airtel Burkina Faso Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(160)	1,357	1,516	-	-	(15)	10	(25)	-
44	Bharti Airtel Cameroon B.V. (formerly known as Bharti Airtel Rwanda Holdings B.V.)	(e)	Netherlands	USD	March 31, 2012	51.157	-	-	-	-	-	-	-	-	-	-
45	Bharti Airtel Cameroon Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1)	1	1	-	-	-	-	-	-
46	Bharti Airtel Chad Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	75	5,744	5,668	-	-	200	73	127	-
47	Bharti Airtel Congo Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	2,537	2,814	276	-	-	7	3	4	-
48	Bharti Airtel DTH Holdings B.V.	(e)	Netherlands	USD	March 31, 2012	51.157	-	-	-	-	-	-	-	-	-	-
49	Bharti Airtel Gabon Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	31	1,368	1,336	-	-	(35)	-	(35)	-
50	Bharti Airtel Ghana Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1,097)	26,549	27,645	-	-	(683)	-	(683)	-
51	Bharti Airtel Kenya B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(886)	40,801	41,686	-	-	0	-	0	-
52	Bharti Airtel Kenya Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1,568)	41,687	43,253	-	-	(1,032)	-	(1,032)	-
53	Bharti Airtel Madagascar Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(131)	9,460	9,589	-	-	(143)	-	(143)	-
54	Bharti Airtel Malawi Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(171)	3,269	3,439	-	-	37	-	37	-
55	Bharti Airtel Mali Holdings B.V.	(c) (k)	Netherlands	USD	March 31, 2012	51.157	1	182	508	325	508	-	(0)	-	(0)	-
56	Bharti Airtel Niger Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	2,856	3,447	590	-	-	286	20	265	-
57	Bharti Airtel Nigeria B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(16,083)	70,159	86,241	-	-	(1,770)	107	(1,877)	-
58	Bharti Airtel Nigeria Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	2	3	-	-	-	(0)	-	(0)	-
59	Bharti Airtel Nigeria Holdings II B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(92)	86,152	86,244	-	-	(0)	-	(0)	-
60	Bharti Airtel RDC Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(498)	15,949	16,446	-	-	(145)	43	(188)	-
61	Bharti Airtel Services B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	51	211	159	-	54	3	-	3	-
62	Bharti Airtel Sierra Leone Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(238)	3,949	4,186	-	-	(43)	8	(52)	-
63	Bharti Airtel Tanzania B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(1,766)	9,928	11,692	2,259	-	49	34	15	-
64	Bharti Airtel Uganda Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	(2,399)	16,726	19,124	-	-	(449)	-	(449)	-
65	Bharti Airtel Zambia Holdings B.V.	(c)	Netherlands	USD	March 31, 2012	51.157	1	11,203	12,082	877	-	-	973	53	920	-
66	Celtel (Mauritius) Holdings Limited	(c)	Mauritius	USD	December 31, 2011	51.157	-	952	5,191	4,239	0	-	164	27	137	-
67	Indian Ocean Telecom Limited	(c)	Jersey	USD	March 31, 2012	51.157	128	624	753	2	-	-	(1)	-	(1)	-
68	Zebrano (Mauritius) Limited (Formerly known as Zain (IP) Mauritius Limited)	(c)	Mauritius	USD	March 31, 2012	51.157	2	55	1,616	1,559	-	-	58	0	58	-
69	Airtel Mobile Commerce (Ghana) Limited (formerly known as Zap Trust Company Ltd. (Ghana))	(c)	Ghana	GHC	March 31, 2012	28.780	2	(0)	41	39	-	-	(0)	-	(0)	-
70	Airtel Mobile Commerce (Kenya) Limited (formely known as Zap Trust Company Ltd. (Kenya))	(c)	Kenya	KES	August 31, 2011	0.617	0	(0)	125	125	-	-	(0)	-	(0)	-
71	Airtel Mobile Commerce (SL) Limited (formely known as Zap Trust Company (SL) Ltd.)	(c)	Sierra Leone	SLL	November 30, 2011	0.012	-	-	13	13	-	-	-	-	-	-
72	Airtel Mobile Commerce Burkina Faso S.A. (formerly known as Zap Trust Burkina Faso S.A.)	(e)	Burkina Faso	XOF	September 30, 2011	0.104	-	-	-	-	-	-	-	-	-	-

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(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share 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
73	Airtel Mobile Commerce Limited (formely known as Zap Trust Company Ltd. (Malawi))	(c)	Malawi	MWK	June 30, 2011	0.308	0	(0)	10	10	-	-	(0)	-	(0)	-
74	Airtel Mobile Commerce Madagascar S.A.	(c)	Madagascar	MGA	December 31, 2011	0.024	0	-	5	5	-	-	-	-	-	-
75	Airtel Mobile Commerce Tanzania Limited (formely known as Zap Trust Company Tanzania Ltd.)	(c)	Tanzania	TZS	November 30, 2011	0.032	-	-	-	-	-	-	-	-	-	-
76	Airtel Mobile Commerce Tchad S.a.r.l. (formely known as Zap Mobile Commerce Tchad S.a.r.l.)	(e)	Chad	XAF	April 30, 2011	0.104	-	-	-	-	-	-	-	-	-	-
77	Airtel Mobile Commerce Uganda Limited (formerly known as Zap Trust Company Uganda Ltd.)	(c)	Uganda	UGS	April 30, 2011	0.020	0	(0)	36	36	-	-	(0)	-	(0)	-
78	Airtel Money (RDC) S.p.r.l.	(c)	Democratic Republic of Congo	USD	June 30, 2011	51.157	128	(34)	159	65	-	1	(26)	-	(26)	-
79	Airtel Money Niger S.A. (formerly known Zap Niger S.A. (Niger))	(c)	Niger	XOF	August 31, 2011	0.104	1	(0)	61	60	-	-	(0)	-	(0)	-
80	Mobile Commerce Congo S.A.	(e)	Congo Brazzavile	XAF	September 30, 2011	0.104	-	-	-	-	-	-	-	-	-	-
81	Mobile Commerce Gabon S.A.	(e)	Gabon	XAF	October 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
82	Zap Trust Company Nigeria Ltd.	(e)	Nigeria	NGN	November 30, 2011	0.329	-	-	-	-	-	-	-	-	-	-
83	ZMP Limited	(c)	Zambia	ZMK	August 31, 2011	0.010	19	(100)	83	164	-	8	(100)	-	(100)	-
84	Africa Towers Services Limited	(c)	Kenya	KES	December 31, 2011	0.617	0	(0)	-	0	-	-	(0)	-	(0)	-
85	Airtel Towers (Ghana) Limited	(e)	Ghana	GHC	December 31, 2011	28.780	-	-	-	-	-	-	-	-	-	-
86	Airtel Towers (SL) Company Limited	(e)	Sierra Leone	SLL	December 31, 2011	0.012	-	-	-	-	-	-	-	-	-	-
87	Burkina Faso Towers S.A.	(c)	Burkina Faso	XOF	December 31, 2011	0.104	1	0	1	-	-	-	0	-	0	-
88	Congo RDC Towers S.p.r.l.	(e)	Democratic Republic of Congo	USD	December 31, 2011	51.157	-	-	-	-	-	-	-	-	-	-
89	Congo Towers S.A.	(c)	Congo Brazzavile	XAF	December 31, 2011	0.104	1	(0)	1	-	-	-	(0)	-	(0)	-
90	Gabon Towers S.A.	(c)	Gabon	XAF	December 31, 2011	0.104	1	(0)	1	-	-	-	(0)	-	(0)	-
91	Kenya Towers Limited	(e)	Kenya	KES	December 31, 2011	0.617	-	-	-	-	-	-	-	-	-	-
92	Madagascar Towers S.A.	(c)	Madagascar	MGA	December 31, 2011	0.024	0	0	0	-	-	-	0	-	0	-
93	Malawi Towers Limited	(e)	Malawi	MWK	December 31, 2011	0.308	-	-	-	-	-	-	-	-	-	-
94	Niger Towers S.A.	(c)	Niger	XOF	December 31, 2011	0.104	1	(0)	1	-	-	-	(0)	-	(0)	-
95	Rwanda Towers Limited	(e)	Rwanda	RWF	December 31, 2011	0.084	-	-	-	-	-	-	-	-	-	-
96	Tanzania Towers Limited	(c)	Tanzania	TZS	December 31, 2011	0.032	-	-	0	0	-	-	-	-	-	-
97	Tchad Towers S.A.	(c)	Chad	XAF	December 31, 2011	0.104	1	0	1	-	-	-	0	-	0	-
98	Towers Support Nigeria Limited	(e)	Nigeria	NGN	December 31, 2011	0.329	-	-	-	-	-	-	-	-	-	-
99	Uganda Towers Limited	(e)	Uganda	UGS	December 31, 2011	0.020	-	-	-	-	-	-	-	-	-	-
100	Zambian Towers Limited	(e)	Zambia	ZMK	December 31, 2011	0.010	-	-	-	-	-	-	-	-	-	-
101	Airtel Direct-to-Home Services (Kenya) Limited (formely known as Airtel DTH Services (Kenya) Limited)	(e)	Kenya	KES	December 31, 2011	0.617	-	-	-	-	-	-	-	-	-	-
102	Airtel DTH Service Burkina Faso S.A.	(e)	Burkina Faso	XOF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
103	Airtel DTH Services (SL) Limited	(e)	Sierra Leone	SLL	December 31, 2011	0.012	-	-	-	-	-	-	-	-	-	-
104	Airtel DTH Services Congo (RDC) S.p.r.l.	(e)	Democratic Republic of Congo	USD	December 31, 2011	51.157	-	-	-	-	-	-	-	-	-	-
105	Airtel DTH Services Congo S.A.	(e)	Congo Brazzavile	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
106	Airtel DTH Services Gabon S.A.	(e)	Gabon	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-

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(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2012	Share 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
107	Airtel DTH Services Ghana Limited	(e)	Ghana	GHC	December 31, 2011	28.780	-	-	-	-	-	-	-	-	-	-
108	Airtel DTH Services Madagascar S.A.	(e)	Madagascar	MGA	December 31, 2011	0.024	-	-	-	-	-	-	-	-	-	-
109	Airtel DTH Services Malawi Limited	(e)	Malawi	MWK	December 31, 2011	0.308	-	-	-	-	-	-	-	-	-	-
110	Airtel DTH Services Niger S.A.	(e)	Niger	XOF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
111	Airtel DTH Services Nigeria Limited	(e)	Nigeria	NGN	December 31, 2011	0.329	-	-	-	-	-	-	-	-	-	-
112	Airtel DTH Services Tanzania Limited	(e)	Tanzania	TZS	December 31, 2011	0.032	-	-	-	-	-	-	-	-	-	-
113	Airtel DTH Services Tchad S.A.	(e)	Chad	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
114	Airtel DTH Services Uganda Limited	(e)	Uganda	UGS	December 31, 2011	0.020	-	-	-	-	-	-	-	-	-	-
115	Bharti DTH Services Zambia Limited	(e)	Zambia	ZMK	December 31, 2011	0.010	-	-	-	-	-	-	-	-	-	-
116	Bharti Airtel International (Netherlands) B.V	(b)	Netherlands	USD	March 31, 2012	51.157	3	98,362	505,698	407,333	-	3,733	(6,137)	114	(6,251)	-
117	Celtel Cameroon S.A.	(f)	Cameroon	XAF	December 31, 2011	0.104	-	-	-	-	-	-	-	-	-	-
118	Partnership Investments Sprl	(e)	Democratic Republic of Congo	USD	December 31, 2011	51.157	-	-	-	-	-	-	-	-	-	-
119	MSI-Celtel Nigeria Limited	(e)	Nigeria	NGN	December 31, 2011	0.329	-	-	-	-	-	-	-	-	-	-
120	Channel Sea Management Company Mauritius Limited	(c)	Mauritius	USD	December 31, 2011	51.157	1	6	19	12	-	-	(2)	-	(2)	-
121	Montana International S.A	(c)	Mauritius	USD	December 31, 2011	51.157	0	(6)	0	6	-	-	(1)	-	(1)	-
122	Société Malgache de Téléphone Cellulaire S.A.	(c)	Mauritius	USD	December 31, 2011	51.157	2	(6)	2	6	-	-	(1)	-	(1)	-
123	Bharti Airtel Developers Forum Limited (formely known as Zain Developers Forum)	(e)	Zambia	ZMK	December 31, 2011	0.010	-	-	-	-	-	-	-	-	-	-

NOTES

a) Financial information has been extracted from the audited standalone financial statements.

b) Financial information has been extracted from the unaudited standalone financial statements.

c) Financial information has been extracted from the audited financial information considered for the purpose of consolidated financial statements for the respective financial year end. However, where the financial year of the subsidiary ends before September 30, 2011, financial information has been extracted from the financial information considered for the preparation of consolidated financial statements for the year ended March 31, 2012.

d) Aero Ventures Limited was incorporated and sold during the year, hence not included above.

e) Subsidiaries are non operational or yet to commence its operations.

f) Celtel Cameroon S.A. is under liquidation.

g) During the year, the Celtel Zambia Plc has changed its financial year end from December 31, 2011 to March 31, 2012. Accordingly, turnover, profit/(loss) before tax, provision for taxation and profit/(loss) after taxation disclosed above are for 15 months period based on the audited financial statements.

h) Proposed dividend includes dividend distribution tax.

i) Dividend proposed subsequent to the date of approval of the consolidated financial statements of Bharti Airtel Limited.

j) Share capital includes preference share capital.

k) 'Investments other than investment in subsidiary' includes investment in entities which is indirect subsidiary of Bharti Airtel Limited.

l) Amount below 0.5 Mn has been rounded off and disclosed as '0' and nil amount has been disclosed as '-', as applicable.

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Guwahati - 781 022

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Splendid Towers,
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Begumpet,
Hyderabad - 500 016

Bihar
7th Floor,
Anand Vihar,
Boring Canal Road,
Patna - 800 001

Delhi NCR
Airtel Centre,
Plot No. 16,
Udyog Vihar, Phase - 4,
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 & Chhattisgarh
3rd & 4th Floor,
Metro Tower,
Vijay Nagar,
AB Road,
Indore - 452 010

Maharashtra & Goa
7th Floor,
Interface Building No. 7,
Link Road,
Malad (W),
Mumbai - 400 064

Rajasthan
K-21,
Malviya Marg,
C - Scheme,
Jaipur - 302 001

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Santhome,
Chennai - 600 028

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Notes

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