



**Together good
things happen...**

Bharti Airtel Annual Report 2009-10



Airtel centre

The Airtel Centre – Inaugurated on November 13, 2009

Centre of excellence that houses more than 3,000 employees, 13 offices and spread over 600,000 sq.ft.



Table of contents

1 Corporate information	2
2 Corporate history and Top 30 shareholders	3
3 Performance at a glance	4
4 Awards & honours	5
5 Chairman's message	6
6 Board of directors	8
7 CEO (International) & JMD's message	12
8 CEO (India & South Asia)'s message	14
9 Together good things happen	18
10 Corporate social responsibility	24
11 Directors' report	32
12 Management discussion & analysis	40
13 Report on corporate governance	46
14 Secretarial audit report	63
15 Standalone financial statements with Auditors' report	64
16 Consolidated financial statements with Auditors' report	115
17 Notice of annual general meeting	159

Corporate information

Board of directors

Sunil Bharti Mittal

Chairman and Managing Director

Manoj Kohli

CEO (International) & Joint Managing Director

Non-executive directors

Ajay Lal

Akhil Gupta

Arun Bharat Ram

Chua Sock Koong

Craig Edward Ehrlich

Lim Chuan Poh

N. Kumar

Nikesh Arora

Pulak Chandan Prasad

Rajan Bharti Mittal

Rakesh Bharti Mittal

Tan Yong Choo

CEO (India & South Asia)

Sanjay Kapoor

Group General Counsel & Company Secretary

Vijaya Sampath

Statutory Auditors

S.R. Batliboi & Associates,

Chartered Accountants

Auditors – US GAAP

Ernst & Young

Internal Auditors

PricewaterhouseCoopers Private Limited

Registered & Corporate Office

Bharti Airtel Limited,

Bharti Crescent,

1, Nelson Mandela Road,

Vasant Kunj, Phase – II,

New Delhi – 110 070,

India

Website

<http://www.airtel.in>



Corporate history

and Top 30 shareholders

Corporate history

1995-2000	Mobile services under the brand name 'Airtel' launched for the first time in Delhi and Himachal Pradesh
	British Telecom Plc (BT) acquired stake in the Company
	India's largest private sector telecom operator post acquisitions of JT mobile and Skycell
	Singapore Telecommunications (SingTel) acquired Telecom Italia's stake in the Company
2001-2005	Initial Public Offering (IPO) through India's first 100% book-building issue
	India's first private sector national and international long distance service
	India's first private operator to offer basic telephone services in Haryana, Delhi, Tamil Nadu & Karnataka
	Joined the USD 1 bn revenue club
	Strategic partnerships with IBM and Ericsson for outsourcing of the Company's core IT and network activities
	Vodafone acquired 10% economic interest in the Company
	India's largest integrated private operator with Pan India footprint in mobile services
2006-2010	Launched mobile services in Sri Lanka and crossed 1 mn customers mark within six months of operations
	Received USD 1.275 bn funding in Bharti Infratel from leading institutional investors
	Launched DTH services, followed it with the launch of Triple Play services
	Crossed 100 mn customers mark
	Became 3rd largest single country mobile services operator and 6th largest in-country integrated telecom operator in the world
	Launched the 'Global Wholesale Service Portfolio' with a reach to 50 countries across the continents of Europe, North America, Africa, Asia and Australia
	Started telecom operations in Bangladesh with the acquisition of 70% stake in Warid Telecom, Bangladesh
	Entered into definitive agreements with the Zain Group to acquire Zain Africa B.V.
	Launched digital media & teleport businesses for media customers

Top 30 shareholders

	Holders*	%		Holders*	%
1	Bharti Telecom Limited	45.44	16	CLSA (Mauritius) Limited	0.57
2	Pastel Limited	15.57	17	Bajaj Allianz Life Insurance Company Ltd	0.51
3	Indian Continent Investment Limited	6.82	18	Capital International	0.48
4	Life Insurance Corporation of India	4.77	19	Merrill Lynch	0.45
5	Europacific Growth Fund	0.91	20	Comgest Growth PLC	0.38
6	ICICI Prudential Life Insurance Company Ltd	0.87	21	Morgan Stanley	0.36
7	Skagen	0.84	22	HDFC Standard Life Insurance Company Ltd	0.35
8	The Royal Bank of Scotland	0.82	23	Norges Bank A/C Government Petroleum Fund	0.35
9	Aberdeen	0.79	24	SBI Mutual Fund	0.31
10	Emerging Markets	0.76	25	HDFC Mutual Fund	0.31
11	Comgest SA S/C	0.75	26	PCA India	0.29
12	ICICI Prudential	0.70	27	Credit Suisse (Singapore) Limited	0.26
13	HSBC Global Investment Funds	0.70	28	Reliance Life Insurance Company Limited	0.26
14	J.P.Morgan	0.68	29	First State Investments	0.24
15	Franklin Templeton	0.67	30	Reliance Capital Mutual Fund	0.22
	Total				86.43

* Data as on April 23, 2010

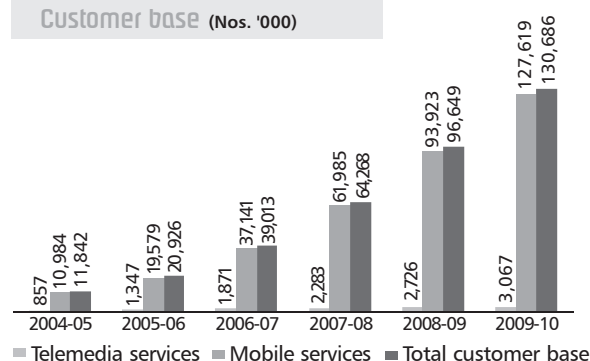
Performance at a glance

I GAAP consolidated figures

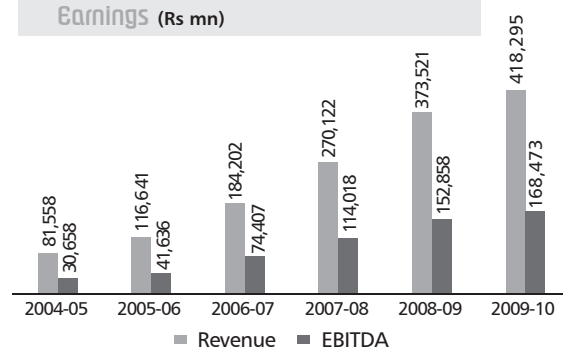
Particulars	Units	Financial Year Ended March 31,					
		2005	2006	2007	2008	2009	2010
Total customer base	000's	11,842	20,926	39,013	64,268	96,649	130,686
Mobile services	000's	10,984	19,579	37,141	61,985	93,923	127,619
Telemedia services	000's	857	1,347	1,871	2,283	2,726	3,067
Based on statement of operations							
Revenue	Rs mn	81,558	116,641	184,202	270,122	373,521	418,295
EBITDA	Rs mn	30,658	41,636	74,407	114,018	152,858	168,473
Cash profit from operations	Rs mn	28,219	40,006	73,037	111,535	135,769	174,728
Earnings before tax	Rs mn	15,832	23,455	46,784	73,115	85,910	108,954
Profit after tax	Rs mn	12,116	20,279	40,621	63,954	78,590	91,631
Based on balance sheet							
Stockholders' equity	Rs mn	53,200	73,624	114,884	217,244	291,279	398,789
Net debt	Rs mn	41,171	41,738	42,867	40,886	84,022	25,474
Capital employed	Rs mn	94,371	115,362	157,750	258,130	375,301	424,264
Key ratios							
EBITDA margin	%	37.59	35.70	40.39	42.21	40.92	40.28
Net profit margin	%	14.86	17.39	22.05	23.68	21.04	21.91
Return on stockholders' equity	%	23.68	31.98	43.10	38.51	30.91	26.56
Return on capital employed	%	15.67	21.48	31.57	33.29	30.69	21.66
Net debt to EBITDA	Times	1.34	1.00	0.58	0.36	0.55	0.15
Interest coverage ratio	Times	9.65	17.45	26.47	29.51	30.38	26.46
Book value per equity share *	Rs	14.35	19.44	30.30	57.23	76.72	105.01
Net debt to stockholders' equity	Times	0.77	0.57	0.37	0.19	0.29	0.06
Earnings per share (basic) *	Rs	3.26	5.39	10.72	17.12	20.70	24.13

*During the financial year 2009-10, the Company has sub-divided (share split) its 1 equity share of Rs 10 each into 2 equity shares of Rs 5 each. Thus, previous year's figures have been restated accordingly

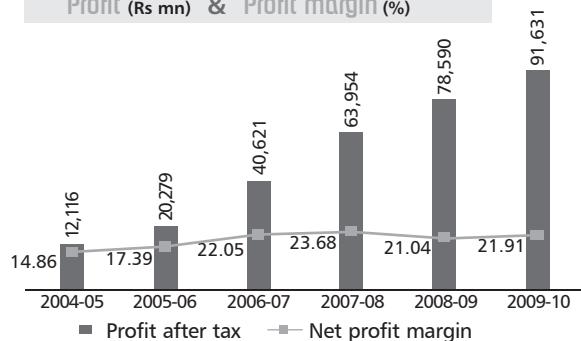
Customer base (Nos. '000)



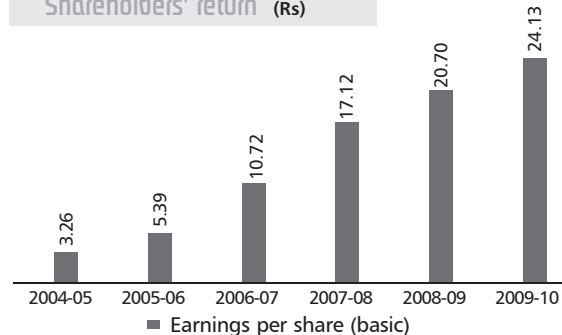
Earnings (Rs mn)



Profit (Rs mn) & Profit margin (%)



Shareholders' return (Rs)



Awards & honours

With a belief that there is more to learn and achieve, Bharti Airtel endeavours to enhance its offerings to diverse pool of stakeholders; customers, employees, partners, community, investors and all. Awards and recognitions prove second to none, when it comes to motivate Bharti Airtel as an organisation.

Bharti Airtel received several awards and recognitions during the year. Some of them were:

- Rated as the 'Strongest Brand' in the Economic Times- Brand Finance 'Brand Power Rating'. Airtel was the only corporate brand to be awarded the AAA rating. It improved its rating from the previous AA+. Airtel was also rated as the 7th Most Valuable Brand in India with a brand value of USD 2.5 bn and Bharti Airtel was the only telecom player to feature amongst the top 10 most valuable brands
- Featured in Forbes Asia's "Fabulous 50" companies of Asia Pacific. The coveted list includes Asia Pacific's biggest listed companies with revenues or market capitalisation of at least USD 3 bn and picked by Forbes's editors on the basis of the best aggregate scores for long-term profitability, sales and earnings growth as well as projected earnings and stock-price gains
- Recognised as the 'Best Global Wholesale Carrier for 2009' at the Telecoms World Awards Middle East. Telecoms World is one of the flagship annual awards by Terrapin, one of the leading business media organisations for international telecom carriers and service providers
- Rated as India's 'Best Enterprise Connectivity Provider for 2009' at the Annual Users' Choice Awards instituted by PC Quest. This recognition came based on an IDC survey spread over top eight Indian cities across four zones
- Bharti Airtel's low cost computing device Airtel Net PC was recognised by Hindustan Times as one of the 'Top 9 Best Tech Products of 2009'
- Awarded the 'Most Preferred Cellular Service Provider Award' at the CNBC Awaaz Consumer Awards 2009
- Awarded the 'NDTV Profit Business Leadership Award 2009' in the telecom sector. Instituted to award organisational excellence, these awards promise to acknowledge the best, the brightest and the most dynamic of Indian organisations that have emerged leaders in their respective verticals
- Bagged top honours in the Voice & Data 100 survey, winning five of the Voice & Data Telecom Awards 2009. Bharti Airtel was named the 'Top Telecom Services Provider of the Year 2009'. Manoj Kohli, CEO & Joint Managing Director was named the 'Voice & Data Telecom Person of the Year 2009'. The awards also named Bharti Airtel as the 'Top VSAT Player 2009', 'Top NLD Player 2009' and 'Top Cellular Services Provider 2009'
- Bharti Airtel has recently won multiple recognitions in the field of Information Technology including Spamhaus Group 'Whitehat Network Star'; 'Security Strategist Award' and 'Intelligent Enterprise Award' at the Technology Senate 2009 and 'CIO Hall of Fame'
- Selected amongst the top 10 winners of the IDC Enterprise Innovation IT Awards 2009 across APAC region for the BSS Transformation Project which integrates 15 major applications and automates over 200 processes. These awards are presented to companies that demonstrate best practices, use IT in innovative ways to deliver competitive advantages to the organisation and enable growth
- Sunil Bharti Mittal, Chairman and Managing Director, was awarded the 'Global Economy Prize' by The Kiel Institute (Germany). The Global Economy Prize is awarded annually to an economist, a politician, and a businessperson who have made outstanding contribution in establishing a just and protective society based on individual initiative and responsibility
- Bharti Airtel was declared as the 'Service Provider of the Year' and 'Wireless Service Provider of the Year' by Frost & Sullivan Asia Pacific ICT Awards for its outstanding performance in the South Asian region



Dear Shareholders,

The past one year has been a truly momentous one for your Company. Not only have we excelled in reiterating our leadership in the domestic market but also embarked upon an exciting journey into the global telecom space. After fifteen years of successful operation and an impressive presence across the South Asian region, Bharti Airtel is truly on the cusp of a huge transformation, and ready to move to the next level.

As a conscious strategy, we have decided to focus on the emerging markets of Asia and Africa. We believe these markets will continue to be the growth engines of the telecom world.

With its billion plus population, vast natural resources and a tele-density of less than 30%, I firmly believe, Africa is going to be a market for the future and the next growth engine of the global economy. As a first step, we have successfully completed the acquisition of Zain Africa BV's operations in 15 countries having 42 mn customers for an enterprise value of USD 10.7 bn. In view of the tremendous future potential of these markets and Zain's leadership position therein, we consider this a game changing acquisition. This has catapulted us to the league of leading mobile operators in the world. With a total customer base of more than 185 mn, we are within striking distance to be among the top three operators in the world by 2015.

Chairman's message

Closer home, we have further strengthened our presence in the South Asian region. After our successful foray into Sri Lanka last year, we entered the Bangladesh market during the year by acquiring a majority stake in Warid Telecom. Brand Airtel has been well received in Sri Lanka, where the Company became the fastest growing telecom operator to cross one million customer mark within the first six months of operation. We will soon be launching the Airtel brand in Bangladesh and Africa.

In the Indian market, 2009-10 was an unusual year for telecom industry. Despite buoyant customer additions, revenues failed to show corresponding growth. Several new operators have entered the market. With 12-13 operators per circle, competition has reached a new peak. This is clearly an unviable situation and unlikely to continue for long and we expect some consolidation to happen in the industry. Despite the unfavourable competitive scenario, our consistent focus on rural penetration and affordability continued to deliver encouraging results in the domestic market.

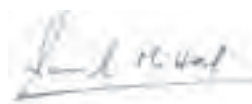
With the completion of the auction for 3G and BWA spectrum, telecom services in India are ready to take a big leap forward. Amidst stiff competition, your Company has won 3G spectrum in 13 circles for a total consideration of Rs 12,295.46 cr. Though we would have loved to have a pan India 3G footprint, under the present circumstances we have done well to secure presence in key circles to drive our long-term growth plans. In the broadband wireless auction too we have secured a strategic presence across select circles to experiment with new technologies.

People and Partners will continue to play a central role in our future endeavours. Their role will be particularly critical in Africa. Key to our success there will lie in our ability to drive seamless knowledge and best practice sharing between Africa and South Asia. I am confident the Airtel Africa Leadership Team will be able to transport the successful business model to the new environment. We are also keen on replicating our phenomenally successful relationships with our partners in the new markets.

As a sincere corporate citizen, we strongly subscribe to the principle of inclusive growth and strive to impact lives around us in a positive way. Bharti Foundation continued to drive our social agenda of imparting quality education to underprivileged children in rural India purposefully through the year. Currently catering to approximately 30,000 students with 1,200 teachers in 236 schools across six states, we are on course to reach out to 100,000 students within a targeted timeframe. We have come across increasing participation from our employees in this mission by way of financial contributions and volunteering acts. I expect this spirit to bloom further during the coming years.

After extremely productive stints, Paul O'Sullivan, Quah Kung Yang, Bashir Currimjee and Mauro Sentinell have retired from the Bharti Airtel Board. I extend my sincere thanks to all of them for their valuable contributions during their tenure. I also welcome on board our new members Tan Yong Choo and Lim Chuan Poh. I am pleased to inform you that Manoj Kohli is now spearheading the International Business Group as CEO (International) & Joint Managing Director. Sanjay Kapoor has been elevated to the position of CEO (India & South Asia). I am confident that both Manoj and Sanjay will continue to drive our growth agenda with passion and commitment.

Your Company is taking a giant step forward to become a true global telecom powerhouse. It's a challenge of a different nature. But it is also an opportunity of a lifetime. We are eager to make the most of it. Like each one of you I too am looking forward to another exciting year ahead.



Sunil Bharti Mittal
Chairman and Managing Director



Board of directors



Sunil Bharti Mittal

Sunil Bharti Mittal, Chairman and Managing Director of Bharti Airtel is the Founder, Chairman and CEO of Bharti Enterprises. Sunil has been awarded the Padma Bhushan, one of India's highest civilian awards. He is a member of the Board of Trustees of the Carnegie Endowment for International Peace. Sunil is also on the Indian Prime Minister's Council on Trade & Industry and the Telecom board of International Telecommunication Union (ITU), a leading UN Agency. He was the President of the Confederation of Indian Industry in 2007-08 and was Co-chairman of the World Economic Forum in 2007 at Davos.

He is a member of several premier international bodies – Leadership Council of The Climate Group, Advisory Committee of NYSE Euronext Board of Directors, International Business Advisory Council for London as well as Rome.

An Honorary Fellow of the Institution of Electronics and Telecommunication Engineers, Sunil has been conferred with the degree of Doctor of Laws (Honoris Causa) by the University of Leeds, UK and the degree of Doctor of Science (Honoris Causa) by the GB Pant University.



Manoj Kohli

Manoj Kohli is the CEO (International) & Joint Managing Director of Bharti Airtel heading the newly formed International Business Group. Prior to joining Bharti, he worked with the Shriram Group (where he started his career in 1979), Allied Signal/Honeywell and Escotel in senior leadership positions. Manoj was the Chairman – Confederation of Indian Industry (CII) National Committee on Telecom & Broadband.

He was a member of the Board of GSM Association (GSMA) in 2008. He was the Chairman of the Cellular Operators Association of India (2001-02). Manoj is a member of the Academic Council of the Faculty of Management Studies (FMS) and Shri Ram College of Commerce, Delhi University. He is a Commerce and Law Graduate from Delhi University and holds an MBA degree from FMS. Manoj also attended the Executive Business Program at the Michigan Business School and the Advanced Management Program at the Wharton Business School. He was adjudged "Telecom Man of the Year" and "Telecom Person of the Year" by Media Transasia and Voice & Data respectively.



Ajay Lal

Ajay Lal is an independent director and a member of the Board Audit Committee of Bharti Airtel. He is a Senior Partner and Managing Director of AIF Capital and has over 20 years experience in private equity, project finance and corporate banking. Prior to joining AIF Capital in 1997, Ajay worked with AIG Investment Corporation and Bank of America respectively.

Ajay has represented AIF Capital on the boards of a number of large corporations across Asia and in this capacity enforces strict standards of corporate governance, as well as provides management teams with strategic guidance.

He is an Engineer from IIT Delhi and an AMP graduate from Harvard Business School. He also holds an MBA from IIM Calcutta.



Akhil Gupta

Akhil Gupta is the Deputy Group CEO & Managing Director of Bharti Enterprises and a non-executive director of Bharti Airtel. He has been closely associated with strategy, finance, mergers and acquisitions and business performance for the group. He has spearheaded the transformational initiatives including the outsourcing deals in the areas of IT, network management and customer service management. He is the Managing Director of Bharti Infratel and a director of Indus Towers. Akhil also serves on the Boards of Bharti AXA Life Insurance and Bharti AXA General Insurance besides several other group companies.

Akhil was conferred the 'CA Business Achiever Award' in 2009 and was voted as the 'Best CFO of the Year' at the CNBC TV 18 CFO Awards in 2006. He was also adjudged as the 'CFO for the year for Mergers & Acquisitions' by the Economic Intelligence Unit India & American Express in 2002.

Akhil is a Chartered Accountant by qualification with over 29 years of experience. He has attended the Advanced Management Program at Harvard Business School.



Arun Bharat Ram

Arun Bharat Ram is an independent director and a member of the Board Audit Committee of Bharti Airtel. Arun is the Chairman of SRF Ltd, a manufacturer of chemical based industrial intermediates. Having founded the Company in 1971, he has seen it grow into a multinational entity with sales in excess of half a billion dollars. His strong belief in Total Quality Management led the technical textiles business to win the coveted Deming Application Award in 2004. He has been a strong proponent of corporate governance and meritocracy in his company.

Arun was the President of CII during 2000-01 and has also been conferred with the Officer's Cross of the Order of Merit by the Government of Germany in 2008 and Jamshedji Tata Award by Indian Society for Quality in 2006. He is a keen musician and respected philanthropist.



Chua Sock Koong

Chua Sock Koong is a nominee of SingTel and was appointed as a non-executive director of Bharti Airtel in May 2001. Sock Koong joined SingTel in June 1989 as Treasurer and was promoted to Chief Financial Officer in April 1999. She held the positions of Group CFO and CEO International from February 2006 until October 12, 2006, when she was appointed Deputy Group CEO. She was appointed as SingTel Group CEO in April 2007.

Sock Koong holds a 1st Class Honours Degree in Accountancy from the University of Singapore and is a Certified Public Accountant and a Chartered Financial Analyst.



Craig Edward Ehrlich

Craig Edward Ehrlich is an independent director of Bharti Airtel. He is the Chairman of the Board HR Committee and a member of the Board ESOP Compensation Committee. Craig is the former long time Chairman of the GSMA, the global trade association representing second and third generation network operators, manufacturers and suppliers.

He has served as a board member of Hutchison Telecoms Group Holdings Ltd since 2003 and now advises the group's 3G and 2G businesses worldwide.

Craig is a board member of Eastern Telecom and Philweb in Philippines. He is the Chairman of Kbro, Taiwan's largest cable TV operator and Novare Technologies Ltd., a software company based in Hong Kong. He is a member of ITU Telecom Board. Craig was a founding member of the team that launched STAR TV, Asia's first satellite delivered multi-channel television network. After four years with Hutchison Whampoa, Craig became the Group Operations Director at Hutchison Telecommunications. Craig holds a B.A. degree from the UCLA, a Masters degree from Occidental College and a postgraduate fellowship with the Coro Foundation.

Board of directors



Lim Chuan Poh

Lim Chuan Poh is a nominee of SingTel and was appointed as a non-executive director of Bharti Airtel in January 2010. He is also a member of the Board HR Committee and ESOP Compensation Committee. As CEO International in SingTel, Chuan Poh oversees the performances of SingTel's current overseas assets, which include AIS (Thailand), Airtel (India), Globe (Philippines), Telkomsel (Indonesia), PBTCL (Bangladesh) and Warid (Pakistan). He is also responsible for driving the Group's regional mobile initiatives and supporting the growth objectives of SingTel's business groups through strategic investments and is the Chairman of Bridge Alliance, Asia Pacific's largest mobile alliance group.

He joined SingTel in October 1998 and previously held the positions of Executive Vice President for various key business groups - Consumer Business, Corporate Business and Strategic Investments.

He holds a Bachelor of Engineering Science (Honours) from Balliol College, University of Oxford, UK and a Master in Public Health Engineering from Imperial College of Science and Technology, University of London.



N. Kumar

N. Kumar is an independent director and Chairman of the Board Audit Committee of Bharti Airtel. A well-known industrialist, Kumar is the Vice-Chairman of the Sanmar Group with interests in chemicals, engineering and shipping.

Kumar is an active spokesperson of industry and trade and was the president of Confederation of Indian Industry (CII), a leading industrial body. He participates in various other apex bodies and is also on the Board of various public companies.

He is the Honorary Consul General of Greece in Chennai.

Kumar is an Electronics and Communication Engineer from Anna University, Chennai.



Nikesh Arora

Nikesh Arora is an independent director and a member of the Board HR Committee and ESOP Compensation Committee of Bharti Airtel. Nikesh oversees all revenue and customer operations as well as marketing and partnerships at Google. Since joining in 2004, he has held several positions with the Company. Most recently, he led Google's global direct sales operations. He also developed and managed the Company's operations in the European, Middle Eastern and African markets and was responsible for creating and expanding strategic partnerships in those regions. Prior to joining Google, he held senior and management positions in T-Mobile and Deutsche Telekom.

Nikesh holds a master's degree with distinction from Boston College and an MBA from Northeastern University. In 1989, Nikesh graduated from the Institute of Technology in Varanasi, India with a bachelor's degree in electrical engineering.



Pulak Chandan Prasad

Pulak Chandan Prasad is an independent director and a member of the Board Audit Committee of Bharti Airtel. He initially joined the Board as a nominee of Warburg Pincus in November 2001.

He is the Founder and Managing Director of Nalanda Capital, a Singapore based fund management and advisory company. Prior to creating Nalanda, Pulak was Managing Director and co-head of the India office of Warburg Pincus, covering their India, South and South East Asian operations. He joined Warburg Pincus in 1998. From 1992 to 1998, Pulak was a management consultant with McKinsey & Company in India, USA and South Africa.

Pulak has a B.Tech Degree from the Indian Institute of Technology, Delhi and a MBA from the Indian Institute of Management, Ahmedabad.



Rajan Bharti Mittal

Rajan Bharti Mittal is the Vice Chairman & Managing Director of Bharti Enterprises. He is a non-executive director, Chairman of the Board ESOP Compensation Committee and a member of the Board HR Committee of Bharti Airtel. He is a graduate from Panjab University and an Alumnus of Harvard Business School.

He is currently the President of FICCI and is also a member of the Managing and Standing Committees of PHDCCI, a member of the Council of Management of AIMA, and a member of the Executive Committee of International Chambers of Commerce – India chapter.

He has held several key positions in various industry associations in the past as well. In FICCI he was the Chairman of Retail Committee in 2007, Infrastructure Committee in 2006, Telecom & IT Committee in 2004 & 2005, and Telecom Committee in 2001, 2002 and 2003.



Rakesh Bharti Mittal

Rakesh Bharti Mittal is the Vice-Chairman & Managing Director of Bharti Enterprises. He is a non-executive director and a member of the Board Audit Committee of Bharti Airtel. He is the Chairman of Bharti AXA Life Insurance, Bharti AXA General Insurance, FieldFresh Foods, Comviva Technologies, Centum Learning and Beetel Teletech.

Rakesh is the Chairman of Confederation of Indian Industry (CII)'s National Council for Agriculture. He is a member of the Agricultural and Processed Food Products Export Development Authority (APEDA). Rakesh is a member of the Executive Board of the Indian School of Business (ISB) and the Co-chairman of Bharti School of Telecommunication Technology and Management.

He is also on the Advisory Board of the Indian Institute of Technology (IIT) and Southern Methodist University (SMU), Dallas, USA. Rakesh is the Co-chairman of the Bharti Foundation. He is an electronics engineer with rich experience of over 34 years.



Tan Yong Choo

Yong Choo is a nominee of SingTel and was appointed as a non-executive director of Bharti Airtel in January 2010. She is also a member of the Board Audit Committee.

She has a wide range of working experience gained from her stints in international accounting firms as well as in multinational corporations. She began her career with SingTel in November 1994 and was appointed to her current role as Group Financial Controller in June 2007, with responsibilities for the Group's financial functions including reporting, planning and forecasting. She also provides high level financial advice that would affect operations and is primarily responsible for financial policies and procedures. Prior to joining SingTel, Yong Choo worked for several years in international accounting firms, Coopers & Lybrand and Arthur Anderson.

Yong Choo holds a Second Class Honours Degree in Accountancy from the National University of Singapore and is a Certified Public Accountant.



Dear Shareholders,

In 2005, we created a vision to be the Most Admired Brand in India, Loved by More Customers, Targeted by Top Talent and Benchmarked by More Businesses. In 2010, we are pleased to have realised this vision and perhaps gone well beyond on many of the parameters. Today, Airtel is more than just another telecom company. It is a company acknowledged as the hallmark for attracting talent, delivering innovative products, customer solutions and business models and for being India's Best Brand, to name a few. And in the process, we are also the undisputed revenue market share leader, have high customer and employee satisfaction levels and therefore rightfully claim to be the foremost integrated telecom company in Asia today.

We are blessed to have achieved so much in such a short span of time – thanks to each and every employee and partner that we have.

Through the 15 years of our brief history, Bharti Airtel has embarked upon and succeeded in many seemingly daunting tasks. Throughout this journey change has been a constant with us. The most defining feature of this journey has been our ability to welcome change and excel in them. We have continually endeavored to set benchmarks – only to go past them and then recreate them ourselves.

CEO (International) & JMD's message

I see our foray into Africa in the same vein. It is no doubt an exciting challenge – 15 countries, 42 mn customers, 15 different regulatory regimes, multiple time zones, different currencies and cultures. However, waiting at the end of the rainbow is the chance of a lifetime – to firmly establish the next growth engine for Airtel and to partake in the wonderful growth story that is Africa. We are sitting on a huge growth potential, a market which is poised to become the largest in terms of population, urbanisation and middle class larger than India and China in coming decades.

India and Africa are and will continue to be high growth markets. However, we must understand that we can't use a "one size fits all" model, as Africa is really not one country but an exciting collection of several countries. We will have to evolve country-by-country strategies. For this, we will bring tremendous scale and efficiency and more importantly, our execution excellence to the Africa operations.

Having said this, I have high regard for the team that we have inherited from Zain. It has market leadership in 10 of the 15 markets and have done an excellent job in bringing the digital revolution to Africa. In Zain's product portfolio, we have some extremely exciting services, like ZAP that won the 'Best Mobile Money for the Unbanked Service' award at GSMA, Barcelona and One Network and many others that would help us drive the telecom revolution in other emerging markets. I firmly believe leadership talent from the two continents will facilitate a robust process of cross-pollination of ideas, practices and people that will take Bharti Airtel to new heights.

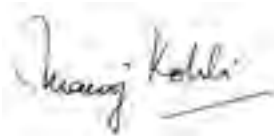
Through the transformation that we intend to bring to our Africa operations, we will continue to hold dear the principles on which Airtel has built its formidable reputation - "retain the soul of a small company and nurture our entrepreneurial spirit".

To me, going global is not an event. It is a journey with many milestones along the way. The immediate objective will be to

put our foot on the accelerator and drive the growth momentum in all our territories. In addition, we will integrate the African assets with the view to retain the best that we have across both South Asia and the Africa operations. In the first 4 weeks after the closure of the deal on June 8, 2010, we have moved swiftly to build a shared vision 2015 for Airtel in Africa, our new business model, strategies and culture with 130 leaders of Africa. We have also met all the governments, banks, partners and employees in each of the 15 countries and have shared our vision and plans with them. Clearly, all these stakeholders are extremely excited on the future prospects and have joined the Airtel journey with enthusiasm.

Acquisition of Zain Africa is clearly amongst the biggest professional challenge that any Indian company has undertaken in recent times. The big test for us lies in transporting our unique business model and recreating our brand magic across the large population in the new continent and be seen as a global corporation with global best practices. Our partner ecosystem linked through a rich culture of win-win collaboration will undoubtedly be the bedrock of our strategy. Finally, it is an opportunity to contribute to another societal transformation in Africa by dedicating our CSR efforts to educate under-privileged children.

We have overcome many challenges in the past; we will go past this one as well.



Manoj Kohli
CEO (International) & Joint Managing Director





Dear Shareholders,

In a year that had extraordinary hyper-competitive activity, your company, performed with great resolve and forbearance. Our resilience, coupled with proven strategies and strong execution ability across business units, saw us meet and exceed many milestones. First to reach the historic 100 mn customers post, launching International Data business, ensuring every fourth customer added was on Airtel Digital TV network, creating business value for our corporate and SMB customers in these times of economic turmoil through our rich portfolio of products and services - were some of the reasons which proved that your Company continued to get the love and support of its customers more than ever before, in larger numbers than ever before.

Warm greetings to you all as I address you for the first time from this forum.

CEO (India & South Asia)'s message

Airtel Way

The Winds of change set in by the middle of first quarter. Seeing the success of your Company in the past leading the growth story of "India Telecom", many Indian and International players launched wireless services in many circles. Irrational pricing and short term focus were the main planks of their strategy. We were patient and retaliated on the superiority of our network and the ability to effectively serve a large base of customers. Exiting the year, our "minute factory" was producing nearly 2 bn minutes a day, and our revenue market share stood tall at 32%, more than ever before. We have conclusively left our competition far behind and have won this round of hyper-competition. It was indeed a humbling experience to be the first to cross the magical 100 mn customer milestone and ending the year with over 137 mn customers, a growth of over 41% over last year.

In our endeavor to continuously redefine and deliver the benchmarks of customer experience, we further extended our well established outsourcing model, by forming a joint venture with Alcatel Lucent - to manage our pan-India broadband and telephone services network. This partnership will helped us leverage Alcatel-Lucent's global expertise in IP transformation and network management while allowing us to focus on customer delivery and market growth. It also helped us to accelerate our performance, as we migrate to next generation networks for our broadband and telephone customers, hence opening the doors to advanced services and applications.

Last year saw the Digital TV industry expand by 9 mn customers, almost equal to the numbers it grew by in the preceding five years. Leading this digitisation wave was our Airtel Digital TV business unit. Riding on the synergies of

Airtel's extensive wireless distribution network, Airtel Digital TV today caters to customers in over 5,000 towns and thousands of villages. We command a customer share of over 25% amongst new customers added, in a highly competitive market with as many as six paid DTH players. In a short span of 20 months of operations, we have gained market leadership in acquiring new customers in eleven out of nineteen state clusters, even when we had to establish our foothold against players who have completed more than five years of operations. This has resulted in a continuous and a steady growth in our cumulative market share within this space.

In this year of significantly enhanced competition, we were able to return a 12% increase in gross revenue and maintained an EBIDTA levels over 40%, proving that it's the Airtel Way to hold a promise, even when the going is tough!

Airtel New


Riding high on the confidence of our proven business model and execution capabilities, we explored new geographies with both wireless and wireline business units. We entered the new territory of Bangladesh by acquiring 70% stake in Warid Telecom. Bangladesh, with a population of over 160 mn and tele-density of only 32%, is a very promising market for telecom services. Bharti Airtel is committed to make fresh investments in expanding network, thereby giving the people of Bangladesh the same customer experience that we are renowned for! You may recall that it is also the largest investment in Bangladesh, by an Indian company.

We continued to make significant progress in our Sri Lanka operations since the time we launched in January 2009. Airtel Lanka recorded the first million customers in just 171 days and created a wide distribution network covering 16 administrative districts of Sri Lanka, with over 15,000 strong retailers across the country. Enterprise Services business too expanded in International markets through launch of Global Wholesale Data operations in North America & Asia Pacific. Airtel launched points of presence at Singapore, London, Hong Kong, LA & New York, thus catching a lot of enterprise international data traffic, hitherto missing from our folds. In these times of changing customer needs and preferences our endeavor was to continuously add to our repertoire of products and services – both for retail as well as our enterprise customers.

We launched Digital Media Exchange & Teleport services to strengthen our solutions in entertainment and media industry vertical. For Small & Medium Enterprises (SMB) we have created a complete suite of telecommunication solutions with strong emphasis on Data Solutions. Our SMB bouquet of products now boasts of MPLS connectivity services, VPN in a Box, Hosted Mail solution, Website Builder, Toll Free services in addition to Audio and Video Conference Services. We expect the next wave of growth to come from data services and accordingly we are focusing our energies in augmenting the data portfolio for all categories of our customers.

India is gradually reaching and crossing international benchmarks of wireless data usage. In keeping with the times we launched Airtel App Central, India's first operator-driven Mobile Applications store, enabling subscribers to transform a basic phone into a Smart Phone by accessing over 1,250 Apps across 25 categories. Airtel App Central crossed over 2.5 mn downloads in just 30 days of its launch, majority of these coming from tier II cities, clearly indicating that India is more than ready for such data applications and we are the customers' preferred choice.

Financial inclusion has been on the forefront of the governmental development agenda. We feel telecom companies have a big role to play in this. With our reach – far and wide into the rural India, ability to service and collect in over 5,000 towns and 435,000 villages (including non-census towns) of the country, we are best placed to take this agenda forward. Within the year we launched m-commerce as a special focus vertical to help us realise the potential of this yet nascent and untapped arena for growth. Gradually but surely Airtel is transforming to take over the mantle of a true a lifestyle enabler for all categories of our customers, contribute to make their lives – simpler, more convenient and happier!



Airtel Experience

Last year was truly a year of building One-Airtel synergies. We integrated our various Network Operating Centers (NOC's) into a common Unified Network Operating Center, giving us a much needed singular customer centric view for all segments and services offered by Airtel. Various network entities were brought together in a single Network Services Group, giving us synergies in uniform planning, budgeting, partner management and control over network operations. Finance teams across circles and hubs were unified into a single shared services location, giving us higher degree of control over our financial processes and driving standardisation across the Company. This was also a year of coming together. Airtel campuses came up at Guwahati, Chandigarh and Gurgaon bringing almost 18 offices together - leading to a healthier working environment, closer bonds and enhanced operating efficiencies.

Customer-centricity remains at the core of our DNA and we built various initiatives last year as well. The more significant ones include self care services such as start/stop services for Value Added Services (VAS), offering customised offers to customers through My-Airtel-My-Offer (MAMO), which aims to differentiate service experience for our high value customers.

One of the strongest endorsements of our brand equity came when we were awarded the 'Most Powerful Brand' award by Brand Finance, and I quote from the citation "Airtel is the only corporate brand in India to be given the AAA rating or 'extremely powerful' and has improved its rating from the previous AA+". We were once again rated among the best 10 companies to work for in the Best companies to work for survey. We have been the proud winners of Gallup Great Workplace Place award consistently from last three years.

Let me take this opportunity to express my deep sense of gratitude towards our employees. It was their commitment and leadership that saw us sail through this uncharted waters and create value for our Company. I look forward to the continued support of our partners, who stood by us through the thick and thin and ensured that our customers had the best experience.

This year also saw the baton passing to me from one of the stalwarts of this company, Manoj Kohli. After leading this company for more than 4 years, he moves on to head the uncharted waters of Africa. Manoj has been a personal friend and guide who lead this company with outstanding leadership and grace. I have benefitted tremendously through the years from his experience and commitment; I thank him with my heart.

Last, but not one bit least, my heartfelt thanks to you all for your faith, consistent and committed support, which helped us scale new heights. Your backing all the way has been vital for us to sail through the year.

We are excited about the prospects of an eventful year ahead. We promise you a great destination, though the journey may not always be a bed of roses!



Sanjay Kapoor
CEO (India & South Asia)

Together good things happen

On the surface, it's a very fragmented world. But as we look more closely, we can discover inter-linkages, relationships, binding factors. Telecommunications has moved us towards 'One World', where each of us is in a network of friends, associates, family, fraternities, forums and professional peers with a fewer degrees of separation today than ever before.

In a more close-knit world with faster and more frequent information exchange, we are all together oftener than ever before. Each one of us is forming a wider, multi-faceted perspective on micro-issues as well as global matters because we are in a continuous interaction through our network. Undeniably, that's a good thing.

We acknowledge each individual as an accumulation of people, relationships and experiences; that's why at Bharti Airtel we believe 'Together good things happen'.



Together good things happen

customers

Bharti Airtel since its inception has been at the forefront of technology & has pioneered several innovations which have been the catalysts for outstanding telecom growth in the country. During the last year, Bharti Airtel has consolidated its market leadership position despite of the hyper competition being witnessed in this category. Testimony to this is the rapidly growing family of happy Airtel customers which has crossed 130 mn mark.

Innovations have been the main focus for Bharti Airtel in the recent past. These innovations not only help in making customer's life easier but also help the Company in building new revenue streams for the future.

One of the major leap Bharti Airtel took this year in the VAS field was launching of the App Store. The launch of this service has extended the reach of app stores to all the basic phone users from the current smart phone users. It supports over 550 devices across all major operating systems making it a totally device agnostic platform. It has seen over 2.5 mn downloads within just first month of its launch with bulk of these customers coming from tier II cities. Airtel also launched m-bazaar, a utilitarian & livelihood enhancing service, it bridges the information divide, enabling the mobile user to get classified on the go. Be it jobs, matrimonial, real estate or buying & selling goods. Overall 4 mn consumers are using this service.

Keeping in mind the rapidly increasing rural base, Airtel also launched IFFCO Green card. It is an innovative system to create localised content and deliver it to the farmers in their language of preference.

Customer service has been a key differentiator that sets Airtel apart and makes us a preferred service provider. Last year also saw significant capability and investments being made in area of customer service to enhance the quality of experience for our customers.

In keeping with our philosophy of empowering customers & making life easy for customers, we have created several extremely easy to use "self-service" products - (including on the mobile) - most of which have been Industry firsts. These include interactive SMS, USSD, start/stop, MAMO (My Airtel My offer) etc. Several of these services on the mobile are available in vernacular languages and plans are underway to provide all mobile based self service in vernacular in the coming year. We were and remain the first and only Indian operator to provide our customers the 'start-stop' service for VAS, which provides our customers an extremely easy and powerful channel to subscribe-unsubscribe VAS at will. These customer empowerment initiatives have been received extremely well by our customers with ~500 mn transactions being witnessed every month on these channels.

We have set up a Resource Management Center (RMC) and a Service Management Centre (SMC) during the year which will help us enhance the experience for our customers by enabling us to be pro-active as well as providing our front line executives with the ability to handle calls and complaints in a significantly better fashion.

This service aggregates content from over 38,000 IFFCO societies spread across India and delivers it to consumers who live in the vicinity of these societies. Heeding the growing interest in soccer among youth, the Company offers rich football content on the mobile from the hugely popular Manchester United Club (the Red Devils) and has also tied up to enable participation in the Manchester United Soccer School program.

Moreover, subscribers can win trips to key matches in Europe featuring the team. These offerings have struck an emotional chord with customers.

In another part of the spectrum, Value Added Services (VAS) now include Airtel Mobile TV which enables one to watch television shows and bulletins on their mobile. In the realm of broadband services, the Company launched the 'Airtel Online Desktop' powered by Microsoft and Nivio, and followed this up with its advent into cloud computing, the latest paradigm in collaborative computing.

It has launched the low-cost ready-to-use 'Airtel Net PC' for its customers in the National Capital Region (NCR). The Company pioneered 50 mbps broadband - the fastest wireline broadband on VDSL2 in the country. The Company in its constant endeavor of providing superior internet browsing experience upgraded all its customers to a minimum speed of 512 kbps and doubled the speed thereafter up till 2 mbps for all existing customers at no additional cost.

Together good things happen

customers



While customer empowerment through self service has been a key strategy, we have also created ~23,000 Airtel service centers in rural India to be closer to our rural customers and provide service in the local dialects. These have been received very well by our rural customers and plans are afoot to add another 16,000 service centers in the coming year.

Financial year 2009-10 marked the strategic initiative of Network Services Group (NSG) – bringing together all the network operations into a single umbrella providing; greater control on network planning & partner management for a “One Airtel, One Network” customer experience.

In February 2010, Airtel launched its Unified Network Operations Centre (UNOC), which is a world class integrated operations centre for Managed Service Providers/Bharti managed Network Operating Centers, an initiative under NSG. It showcases Airtel capabilities to customers and helps in delivering One Airtel Experience to customers. The thrust on unification has also brought an array of Customer Service Touch Points together to serve as One Airtel, supported by Call, Mail, Web and Relationship Centers for all regions. With a single account (integrated for all Airtel products) at www.airtel.in, customers can log in and manage a host of services - postpaid mobile, broadband, digital TV and fixed line phones.

Airtel is constantly renewing its bond with the customer by enriching his/her life in its various dimensions and is making good things happen – all the time!

“The power of India is the power of its people - of our intellect, our values, our entrepreneurship and our diversity. It is the unleashing of the energy of the Indian people that has propelled India to its current path of growth and increasing prosperity. The task before us now is to sustain this growth momentum by including more and more people in the economic mainstream through strategies for empowerment. Together, we can make this happen”

Chanda Kochhar
Managing Director & CEO, ICICI Bank Limited

Together good things happen

partners

Bharti Airtel has a successful record in nurturing partnerships – in technology sourcing, for infrastructure ownership, product development and customer servicing.

Bharti Airtel redefined outsourcing in the telecom industry by partnering with global leaders for managing its IT systems management and networks, areas that all telecom companies globally considered their core business till then. It started with Airtel signing a deal with IBM, in March 2004, handing over its entire information technology management for next 10 years. This was followed by outsourcing our entire network management to Ericsson and Nokia Siemens Networks.

Today, Bharti Airtel's Mobile Network operations are managed by Ericsson, Nokia Siemens and Huawei (for Sri Lanka), Access Network by Alcatel Lucent, business IT systems by IBM and transmission towers by Indus Towers and Bharti Infratel.

Some of the key developments in the realm of partnership included:

- Forming of a joint venture with Alcatel Lucent for managing Bharti Airtel's pan India Access Network for broadband and telephone services
- Extension of contract with Ericsson and Nokia Siemens by 2 years to upgrade the network to provide a superlative customer experience
- Signing of network expansion contracts worth USD 1.3 bn with Ericsson and USD 700 mn with Nokia Siemens
- Co-building Fiber with BSNL, Idea and Vodafone
- Tower/Site sharing through Bharti Infratel Limited with other GSM players

Bharti Airtel and Limelight Networks® partnered for global Content Delivery Network (CDN) services. Bharti Airtel's customers now can access to Limelight Networks' 25 delivery centres and 900 last mile networks across the globe. It will also enhance their Internet user experience with HD movies, online shopping and gaming etc. in the Indian marketplace.

Bharti Airtel formed a Strategic Business Alliance with Cisco to help drive the growth for Indian enterprises, combining the strength of Airtel's Network service provider leadership and Cisco's Internet Protocol (IP) technologies.

'Partner Space', an online collaborative working platform to connect, communicate and engage with partners was launched last year. The platform enhances partnering through online communication with partners; quicker resolutions; answering partners queries online; and personalised attention to issues.

Strategic partners have been an integral part of the Company's achievements over the years, have supported its

ambitious growth plans, helped it launch new & innovative products in the market and maintain its leadership position in the telecom industry. Besides these strategic partners, Airtel is also engaged with a large number of partners spread across the globe who support its product and service requirements. Airtel closely manages these relationships with a focus on bringing in synergies, operational efficiencies and enhance customer experience.

Over the years, one of key drivers of Airtel's success is the ecosystem of partners it has created, which has helped Airtel to be an agile, customer-centric organisation providing the best in class services to the customers' year on year.

"IBM's partnership with Bharti Airtel is a combination of advanced technology with market knowledge – but that is just the beginning. More importantly, it is the product of shared vision. Our companies saw early on how the capabilities of a smarter planet were enabling not only efficiency and growth, but new business models and societal progress. Bharti is one of the world's leading innovators at all those levels."

Samuel J. Palmisano
Chairman, President & CEO, IBM

Together good things happen employees

In a high-tech sector like telecom services, Bharti Airtel treats its people as the most valuable asset and deploys them in staying ahead of its peers and delivering the brand experience to its customers. By creating a vibrant culture of opportunity and reward, it strives to attract and retain talent. The Company ensures there is adequate personal recognition and the employee's level of motivation and commitment is kept up.

In order to facilitate continual training and skill improvements, Excellence Academies were created in 2009-10. Specific Academies have been formed within Bharti for the purpose – Marketing Excellence, Network Excellence, Supply Chain Management Excellence and Finance Excellence Academy. Customised learning programs were created with partners like – IIMs and ISB. These programs are highly customised for Airtel and built through a rigorous procedure of needs identification, content scoping, use of the right learning methodologies and integration of learning inputs with the functional and business specific skill sets.

The company once again won laurels at the Frost and Sullivan Asia Pacific ICT Awards, winning the Service Provider of the year 2009 and Best Wireless Service Provider. Making this possible is the training and HR activity which maintains team spirit and brings people together.

At Bharti Airtel the thrust is on overall 'Capability Building' of its people where-in, a wide array of programs are designed for employees across the organisation. Leadership Development Program (LDP) under Centre for Creative Leadership (CCL), Leadership in Action (INSEAD), Airtel Emerging Leaders Program and Future Business Leader Program are some of the programs for the leadership people in the organisation. For the middle management people, the programs such as Managing Partnerships, Building Collaborative Relationship, Achieving Business Success and Delighting the Customer add to the overall capability of the people.

Effective people management is identified as a key factor for employee delight. Bharti Airtel has placed emphasis on developing People Managers and has devised specific programs to ensure that its teams can experience the joy of work. Some of these include:

- Winning Through People
- People management skill for 1st time managers
- Accelerating Performance through People
- Effective team management
- Interviewing Skills Program
- For selecting the right talent
- Performance Management Workshop
- For effective assessment of Key Result Areas (KRA's)

There are also unique opportunities for employees to be selected for a one-on-one interaction with a top management executive for a couple of hours. It fosters a better understanding and creates a feeling of proximity across the organisation structure. "Reverse mentoring" is another such initiative in which top

management gets a chance to learn from a younger manager. The topics of interest range from dance & music to new technological developments, selected basis the interests of the mentor and the mentee. Employee communication is facilitated through blogs and informal meetings as well.

The awards such as "Best people manager" & "Achievers Club" for the teams create an environment of healthy competition among the employees. The Gallup survey principles are followed rigorously throughout the organisation and prove to be the key differentiators for high performing teams.

The intensity of belonging to Airtel family gets reflected in the enthusiasm for CSR activities among the rank and file of the organisation. People willingly devote their energy and extend their support to the cause of the underprivileged children's programmes, and greening of the environment.

Celebrations are a huge opportunity for team bonding. Bharti Airtel ensures that the achievements are shared and celebrated among all the teams. When the milestone of 100 mn customers was crossed, there was a week-long celebration in the Airtel Centre in New Delhi. It was a toast to the spirit of excellence and bonded the people together in the joy of a collective accomplishment. Large-scale participation in the regular Airtel Half Marathon and the Great Delhi Run (7 km) and other outdoor activities indicates the energy levels and enthusiasm of its people to take the field and sweat it out with grit and glory. The emphasis on camaraderie and goodwill strengthens the value system to prevail and be in practice in intra-company as well as customer-facing relationships. It is how the brand sets store by good vibes happening between individuals and teams.

Together good things happen investors

Proactive would be the right word to describe Bharti Airtel's approach to disclosures, interaction with analysts, and investor relations. It consistently looks beyond mere compliance requirements and fulfils the highest international standards.

In order to bring transparency and adhere to best practices beyond compliance, some of the initiatives Bharti Airtel takes are:

- As per the listing agreement, while the Company has an option to submit either audited or unaudited quarterly and year to date financial results to the stock exchange, company has opted to furnish the audited accounts. In addition to the preparation of the financial statements under Indian GAAP as per the statutory requirements, the Company also prepares quarterly as well as annual financial statements under US GAAP, which are duly audited
- The Company will soon lead in IFRS accounting as well
- The Company has laid down a roadmap to comply with provisions of Sarbanes-Oxley (SOX) Act, a US federal law enacted on July 30, 2002, also known as the 'Public Company Accounting Reform and Investor Protection Act' and 'Corporate and Auditing Accountability and Responsibility Act'
- Bharti Airtel has a auditor rotation policy approved by the Board for Statutory as well as Internal Auditors.

The Company displays adequate disclosures and transparency in its quarterly reports and shares optimal information to the extent permitted by the regulation and/or the competition.

Frequent and transparent communication with investors keeps the Company closer and accessible to the investors. The Company conducts frequent interactions with stakeholders through personal meetings and/or through conference calls. Then there are conferences hosted by leading global brokerage houses which are a common ground to meet with a lot of investors – current as well as prospective. The Company aims at attending at least 10 such conferences across geographies every year, in order to ensure maximum reach to various profiles and classes of investors. In order to ensure better accessibility to its stakeholders, company has also created an email drop. Most of the meeting /interaction management processes at its end have been streamlined and automated via feed through this email and hence requests are easier to get right attention and execution.

As a responsible corporate, interaction with opinion makers is equally important as they serve the interest of investors. The Company is aligned on day-to-day basis with majority of the analysts and research desks. It provides right information, which is transparent in nature while letting them form their own informed opinion. In case of major industry/company related developments, the Company attempts to provide them insights from its perspective. It also tries to disseminate important press releases which may be relevant to investing community. Company's website is also kept updated with all shareable information almost on a real-time basis.

As a commitment towards highest level of corporate governance, the Company stays away from interactions during the silent period which starts from the close of the business on the last day of the quarter till the declaration of results for that quarter.

Corporate social responsibility

Driven by the desire to create a meaningful difference in society; at Bharti Airtel we make conscious efforts to achieve higher socio-economic goals. Over the years, we have aligned our business processes and goals to make a more deep rooted impact on the society directly. There is an absolute belief that the transformational projects undertaken by us are contributing towards strengthening trust of all our stakeholders.

India being a youthful and growing country, education is considered to be the most important tool for social and economic development of the nation. Most of Bharti Airtel's welfare activities are routed through Bharti Foundation, the philanthropic arm of the Bharti Group. Set up in 2000, the Foundation aims to bridge the existing education divide and make quality education accessible to underprivileged children in rural India.

Bharti Airtel's passionate participation in various programs of the Foundation got recognised when Bharti Airtel received the 'Corporate Social Responsibility Awards 2009-2010' of Business World-FICCI-SEDF (FICCI Socio Economic Development Foundation).

Temples of Learning

Under the aegis of its flagship program, the Satya Bharti School Program, Bharti Foundation imparts primary and higher education to help in both holistic and academic development of underprivileged children and youth across the rural pockets of India. Girl child gets special focus in these temples of learning, radiating knowledge and excellence. This helps them connect with their own community and stay rooted to their local culture. The senior school program trains students in vocational skills to help them emerge as employable citizens and contribute towards community development.

Currently 236 Satya Bharti Primary Schools are operational across 5 states of Punjab, Rajasthan, Haryana, Uttar Pradesh and Tamil Nadu; reaching out to approximately 30,000 children and recruiting over 1,000 teachers from local communities. Bharti Foundation launched the Satya Bharti School Program in Murshidabad district of the state of West Bengal this year. The foundation stone for this new initiative is a first as a part of the expansion plan to set up 10 such primary schools in the district in due course of time.

Of these 236 operational schools, 49 schools are adopted government schools, under public private partnership reaching out to about 6,000 children, across Neemrana and Amer blocks of

Rajasthan. The adopted schools continue to follow the state-prescribed curriculum, supplemented by interesting teaching-learning material and processes developed by the curriculum design team of Bharti Foundation. The most striking achievement of the program has been the participation of girls which gets reflected in a healthy girl:boy ratio of 47:53.



The program aims to provide academic support to children, healthy nutritious mid day meals and also contribute to their holistic development. Launched in 2006, just three years into operation the schools have, slowly but surely, started to make an impact on the children, parents and the village community.

Taking everybody along

Community participation and involvement continues to be an integral part of the Satya Bharti School Program. Our efforts at making community an essential part of our operations have not only earned us respect, support and buy-in from opinion leaders, but have also started contributing to future growth of the community. Surely there is a positive behavioural change among the community members.

Direct involvement of community in school activities is undertaken in the programs. 1,400 community volunteers signed up to take classes during the summer camp held in June 2009. They took sessions in local arts and crafts, storytelling and music. Community members also volunteer their services for other school related activities.

Skills beyond Books

“The Satya Bharti Schools have turned into mini ITIs where children are learning about other important skills like Carpentry, Tailoring, Gardening, Dancing and Farming from local talent and resources.”

Nathu Ram Choudhary, Sarpanch
Jati Bhandu, Rajasthan



Design for Giving

Social issues in the community are getting addressed through Community Development Programs. 2,100 children across 91 Satya Bharti Schools participated in the Design for Giving contest. They undertook various campaigns in their own communities like girl child awareness rallies, combating global warming, literacy drives, health and hygiene drives, drug abuse, environment, campaigns against child marriage etc.

The most effective amongst these campaigns the “Campaign against Child Marriage” was undertaken by 32 students of the Satya Bharti School in Lordi Dejgara, Jodhpur, Rajasthan. Seeing rapid increase in the number of their friends getting married or engaged at an early age, the students identified this as a serious peril affecting their community. As a part of this campaign, the students undertook rallies, performed role-plays against child marriage and also organised meetings with senior community members to discuss the issue. The initiative was supported by all community members and was well accepted. It helped them to prevent marriages of 16 children in the village and neighbouring villages. Inspired, many parents pledged not to marry their children before an appropriate age.

Guardian, on course to graduation...

Having studied till senior school only, Laluram is working as the School Guardian at the Satya Bharti Government Primary School in Salgawali, Amer. The teachers were very keen that he studies further and often encouraged him. They inspired him with the example of a school guardian at another Satya Bharti School being promoted as teacher due to his capability. Turned interested to study further, Laluram faced financial difficulties. The teachers helped him. Thanks to their efforts, Laluram is now pursuing his graduation.

Corporate social responsibility

Ushering in a bright future

Bharti Foundation has partnered with premier institutes like the Indian Institute of Technology, Delhi in 2000 to set up the Bharti School of Telecommunication Technology and Management, IIT Delhi. 200 students are supported every year to pursue courses in the field of telecommunications. The School has been set up with the vision “to develop telecom leaders through excellence in education and research”. The Foundation has also set up the Bharti Centre for Communication, Mumbai in partnership with IIT Mumbai.

The Bharti Scholarship and Mentorship program has also been instituted to support academically brilliant students from financially weak backgrounds. Under this program Bharti Foundation has also partnered with Udayan Care to support the Udayan Shalini Fellowship Program. Currently 232 scholars are being supported under the Bharti Scholarship and Mentorship Program.

The Bharti Centre for Entrepreneurial Initiatives set up in 2000 as a joint initiative with the Entrepreneurship Development Institute of India (EDI) promotes, develops and facilitates entrepreneurship and works towards encouraging entrepreneurship among young individuals. The Bharti Entrepreneur Award honours first generation entrepreneurs and emphasises the importance of structured training in the area of entrepreneurship. Two Bharti fellowships are also awarded by the Centre to motivate students to pursue entrepreneurship training despite financial hindrance.

ACT – A Caring Touch

ACT- A Caring Touch is the Company’s Employee Philanthropy Program which encourages employees as well as their families to donate their time, skills, knowledge, materials and money to either Bharti Foundation or other charities empanelled under the ACT Program. The program provides a common platform to all employees by providing them total freedom and flexibility to contribute towards causes of other NGOs like CRY, Helpage India, SOS Children’s Villages of India, Cancer Aid and Research Foundation, National Association for the

per thare school mein hi kadar jaani...

Eldest of three daughters of a peon, Sheetal is studying at Satya Bharti School in Soungri, Kaithal. Fighting all odds, she is working hard to realise her dream of becoming an engineer. In Class Vth State Board Examinations, Sheetal topped amongst students of 14 Satya Bharti Schools in the district with 98% marks. Thrilled by her results, her mother said “Nu to chori mein ghani akkal sai, per thare school mein hi kadar jaani” (My daughter was gifted with intelligence even otherwise, but it was only at your school where her true worth was crafted).

Blind, etc. All monetary donations are matched by the Company. Launched in 2006, the ACT program has grown at a remarkable pace. 80% of total contributions made by employees under the ACT program are generated towards the Satya Bharti School Program of Bharti Foundation.

In one such initiative “Freedom 2 Learn” week was organised, which featured an innovative auction in which top management team offered to host employees for breakfast, lunch, dinner, sports activities etc. The auction donation in ACT through these bids was over Rs 2 mn which was equally matched by the Company.

Bharti Foundation takes full responsibility of reporting to its donors about the utilisation of their funds and impact reports of the programs, for which the funds have been received. The Foundation ensures to direct all the funds towards its programs and allows surprise visits by Bharti employees to the project sites.

Instituted in 2009, the ACT Ambassador awards recognised the unconditional efforts and commitment of employees. As an initiative under ACT, Joy of Giving week was celebrated in the Company in which the employees participated in 5 campaigns namely Give Dignity (clothes), Give Sight (eye donation), Give Life (plantation), Give Joy (drawing books & crayons etc) and Give Hope (donation through our ACT program).

Beyond Corporate Life

Employee volunteering is an important component of the ACT –Employee Philanthropy Program. Employees across the organisation are encouraged to visit any charity of their choice and spend a day away from rigorous office schedules and deadlines. The program has been set up to inspire people to volunteer for charitable causes and also help create opportunities among employees to support a cause by donating their time, skills, knowledge and money. The group has also put together a volunteering policy, where employees can avail an additional day's paid leave to volunteer with a charity.

One of the ACT volunteer says

“Bharti Foundation is doing a great work. The number of smiles I am able to get on children's faces motivates me to work as an ACT Ambassador”

The employees along with members of senior leadership team keep on visiting the schools and interact with students and their teachers during the day they spend at the school. Some of the employees even participate in community awareness programs.



Corporate social responsibility

Disaster Relief and Support

Bharti Airtel has a nation-wide presence that has grown at an exponential rate in the recent years. Each local office undertakes special programs for the local community, thereby touching their lives directly. From time to time various initiatives like material collection, tree plantation, adoption of old age homes and orphanages, blood donation camps, etc are undertaken for the welfare of fellow beings in need.

Bharti Airtel has contributed Rs 10 mn each for helping in flood relief for Chief Ministers Relief Funds for Andhra Pradesh & Karnataka states. Educational support was provided to children of Guwahati blast victims in North East states. During Mumbai floods last year, employees climbed up the towers to restore the networks so that our customers can connect with their near and dear ones.

Company's 'Rapid Response Team' responded to the Kashmir earthquake by bringing more than 2,000 food packets and water bottles to the affected area. Money, clothes, woollens and blankets were also collected from employees to distribute among earthquake victims.

Think Green

Bharti Airtel is committed towards taking steps to protect environment either by direct initiatives or conserving the by-products to reduce fossil fuel consumption.

We have been running power saving programs in our offices and on network operations for over 5 years now. These programs help in reducing costs and our carbon footprint. Airtel has pioneered the Green Shelter concept for BTS. This unique shelter comes with optimal cooling, power and thermal management systems, minimising the running of backup systems like diesel generator sets. The solution reduces operational costs by as much as 40% as compared to conventional shelters and avoids being a cause of global warming, as the greenhouse gas emissions are minimal.

Green IT has been a focus area at Airtel and has been a key in all IT decisions and strategies which includes IT infrastructure at our office buildings & data centers. Airtel and its partners are working to assess our IT energy efficiency holistically, which will help the Company apply an end-to-end strategy that integrates the key components of the energy picture. The Company has taken initiatives to achieve vision of environment conservation and a team is driving its 'Green' program through the key focused areas of paperless initiative, data center optimisation, desk-side initiatives and employee awareness programs.

Initiatives have been taken to reduce paper in the day to day working operations both for internal as well as external customers. Processes are introduced to enable paperless workflow based methodologies and approval mechanisms within the Company. This automation not only provides higher efficiency but has proven to be extremely useful in reducing consumption of paper within the organisation.

Bharti Airtel's initiative of e-bill to reduce paper based transactions for statements has been quite successful. With post paid customer base of more than 10 mn, this initiative is a big area to achieve environmental conservation. The Company promotes usage of e-bills to its customers via several incentives from time to time.

Being a technology oriented industry; Bharti Airtel has taken various significant initiatives in data center domain to reduce electricity consumption. As a part of first phase we have already consolidated 26 data centers to 4 regional data centers and saved space as well as power. In the second phase of this initiative, we are working on server/ storage consolidation within the same location and target to deliver 10% - 15% enhanced productivity.

The Company uses electrical equipments with high energy efficiency and low anti environment emissions. This is a key factor while procuring any electrical equipment. Initiatives like use of water based chilling unit at new data centers for cooling instead of gas based are helping in protecting the environment and depletion of ozone layer.

As part of desk side initiatives, Bharti Airtel is migrating most of its users from Desktop PC to Laptops. This movement is expected to give a saving of close to 3 MW of power which would be sufficient to light close to 6,000 houses in rural India at an average consumption of 500 W per house. All desktops / laptops which are refreshed with newer ones are released to be donated to Bharti Foundation for educating the children studying at the Satya Bharti Schools.

There has also been an initiative to move towards Green OS (Windows 7), which is expected to save power to the tune of Rs 2,000 per machine per year, leading to huge saving of IT power. Various activities to render more and more applications on mobile are underway; thus reducing the dependency on desktop resulting in further reducing power consumption.

Bharti Airtel is associated with The Carbon Disclosure Project (CDP); an organisation based in UK which works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations. From past three years we have been constantly measuring our carbon footprint.

Waste Management

Bharti Airtel has been able to reduce office waste by introducing simple but effective practices like printing only when necessary, double sided printing & photocopying and sending documents electronically. Bharti Airtel undertook a dramatic transformation in work processes which has delivered powerful dividends in terms of environmental friendliness. These initiatives have managed to save approx 600,000 sheets of paper every year. Bharti Airtel has in place a recycling and waste management program to support the environment which also provides significant cost saving for the organisation in long term. Bharti Airtel carefully planned a coordinated approach with full support of the management & employees.

With the recycling program in force, the equipment does not go in the market for resale; rather it is destroyed at an authorised centre which follows environmental norms. This ensures that none of these parts fall in hands of unsocial elements or end up in polluting the environment. The recycling program covers end of lifecycle solution, asset recovery, brand protection by destroying parts before recycling and certifications with respect to waste disposal and elimination of environmental liabilities.

Bharti Airtel is in the process of finalising its Environment/Health & Safety Policy (EHS) and will apply for 'ISO 14001 compliance' within the next three years for each of its facilities.

The Company constantly explores for new and innovative ways of reducing the consumption of natural resources, with the aim of leaving a better and greener earth for generations to come.



Corporate social responsibility

Farmer Welfare

Bharti Airtel believes that the real India lives in its villages and our rapid rural penetration enables us to impact the lives of farmers. The Company has been working with farmers' co-operative society IFFCO to provide farmers with vital information around weather, mandi prices, agronomy, horticulture, forestry, government schemes, etc. This is managed through our joint venture with IFFCO called IFFCO Kisan Sanchar Limited (IKSL).

IFFCO IKSL Programme Highlights	
No. of states covered	18
Experts on panel	46
Total unique messages prepared	31,537
Questions on pelpline	34,212
Feedbacks from farmers	1,583
Success stories	984

Customer Welfare

Airtel has also been instrumental in changing 2 lakh lives by infusing confidence amongst rural India by offering the Speak English service. The service offers lessons in spoken English using real life scenarios like how to greet people, how to talk to women, how to interact in an interview etc. and has specifically benefited many housewives & job seeking youth.

Internet with just 80 mn users in India limits the reach of the classifieds services. Jobs on mobile, a utilitarian and livelihood enhancement service from Bharti Airtel is bridging this information divide. It is enabling 5 mn Indians to access relevant job posting through the largest Classifieds content repository in the country. This service is being rendered by tying up with the leading classified job portals. 'Jobs on mobile' has impacted the lives of people from all walks of life including carpenters, plumbers, ironsmiths, village youth, women etc and has so far delivered over 75 mn matching alerts.





Photos by Amit Bhatia, Legal & Regulatory, Bharti Airtel

Dear Shareholders,

The directors have pleasure in presenting the fifteenth annual report on the business and operations of the Company together with audited financial statements and accounts for the year ended March 31, 2010.

OVERVIEW

Bharti Airtel is one of Asia's leading telecommunication service providers with presence in all the 22 licensed jurisdictions (known as Telecom Circles) in India and also in Sri Lanka and Bangladesh. The Company served an aggregate of 130.69 mn customers as on March 31, 2010 in India; including 127.62 mn customers using GSM services and 3.07 mn customers using fixed line and/or broadband (DSL) services. The Company offers an integrated suite of telecommunication services to enterprise customers, in addition to providing national and international long distance connectivity. The Company also deploys, owns and manages passive infrastructure for telecommunication services through its subsidiary company, Bharti Infratel Limited, which also owns 42% stake in Indus Towers Limited. Bharti Infratel and Indus Towers are the top two providers of passive infrastructure services in the country.

FINANCIAL RESULTS AND RESULTS OF OPERATIONS

Financial Highlights of Consolidated Statement of Operations of the Company

(Amount in Rs mn)

Particulars	Financial Year		Y-o-Y
	2009-10	2008-09	Growth
Gross revenue	418,295	373,521	12%
EBITDA	168,473	152,858	10%
Cash profit from operations	174,728	135,769	29%
Earnings before taxation	108,954	85,910	27%
Net profit / (loss)	91,631	78,590	17%

Financial Highlights of Standalone Statement of Operations of the Company (Legal entity)

(Amount in Rs mn)

Particulars	Financial Year		Y-o-Y
	2009-10	2008-09	Growth
Gross revenue	356,095	340,143	5%
EBITDA	138,698	131,918	5%
Cash profit from operations	148,151	115,686	28%
Earnings before taxation	106,992	81,615	31%
Net profit / (loss)	94,262	77,438	22%

LIQUIDITY

The Company meets its working capital requirement by having suitable commercial agreement with its creditors and sufficient standby credit lines with banks and financial institutions. It deploys a robust cash management system to

ensure timely availability of funds and its deployment. The Company has been able to optimise finance cost and generate funds for expansion by minimising the amount of funds tied-up in the current assets.

As on March 31, 2010, the Company has cash and bank balance of Rs 25,786 mn and marketable securities of Rs 51,512 mn. The Company actively manages the short-term liquidity to generate optimum returns by investments made in debt and money market instruments including liquid and income debt fund schemes, fixed maturity plans and other similar instruments.

The Company foresees liquidity requirements for funding the 3G spectrum and BWA spectrum auction fees. The strength of the Company's balance sheet has enabled the Company to adequately tie up funding for expected 3G and BWA liquidity requirements on favorable terms.

On March 30, 2010, the Company has also announced acquisition of Zain Africa B.V. in a USD 10.7 bn deal. The Company has tied up adequate funding to cover the deal.

The Company expects to maintain a comfortable liquidity position post payment of spectrum fees and closure of the acquisition.

GENERAL RESERVE

Out of total profit of Rs 94,262 mn for the financial year 2009-10, an amount of Rs 7,100 mn has been transferred to the General Reserve.

DIVIDEND

The Board has recommended a final dividend of Re 1 per equity share of Rs 5 each (20% of face value) for the financial year 2009-10. The total dividend payout will amount to Rs 4,443 mn, including Rs 645 mn as tax on dividend. The payment of dividend is subject to the approval of the shareholders in the ensuing annual general meeting of the Company.

SUBSIDIARY COMPANIES

As on the date of this report, the Company has twenty subsidiary companies namely (i) Bharti Airtel Services Limited (ii) Bharti Hexacom Limited (iii) Bharti Infratel Limited (iv) Bharti Infratel Ventures Limited (v) Bharti M Commerce Services Limited (vi) Bharti Telemedia Limited (vii) Bharti Airtel (Canada) Limited (viii) Bharti Airtel International (Mauritius) Limited (ix) Bharti Airtel International (Netherlands) B.V. (x) Bharti Airtel Holdings (Singapore) Pte. Limited (xi) Bharti Airtel (Hongkong) Limited (xii) Bharti Airtel (Japan) Kabushiki Kaisha (xiii) Bharti Airtel Lanka (Private) Limited (xiv) Bharti Airtel (Singapore) Private Limited (xv) Bharti Airtel (UK) Limited (xvi) Bharti Airtel (USA) Limited (xvii) Bharti Infratel Lanka (Private) Limited (xviii) Bharti International (Singapore) Pte. Limited (xix) Network i2i Limited and (xx) Warid Telecom International Limited.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Central Government has vide letter No. 47/305/2010-CL-III dated April 27, 2010, granted an

exemption to the Company from attachment of the balance sheet, profit & loss account and other documents as set out in section 212(1) of the Companies Act, 1956 in respect of the aforementioned subsidiary companies for the year ended on March 31, 2010.

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

Since, Bharti International (Singapore) Pte. Limited and Bharti Airtel International (Netherlands) B.V. (both subsidiaries of Bharti Airtel Holdings (Singapore) Pte. Limited) were incorporated in March 2010 and their first financial year will conclude on March 31, 2011, no financial statements have been prepared till March 31, 2010. The Company has also incorporated Bharti M Commerce Services Limited, Bharti Airtel International (Mauritius) Limited and Bharti Airtel (Japan) Kabushiki Kaisha in April 2010 whose first financial year will conclude on March 31, 2011.

The statement pursuant to the approval under section 212(8) of the Companies Act, 1956, is annexed as part of the Notes to Consolidated Accounts of the Company on page no. 158.

QUALITY

Quality is an integral element of Bharti Airtel's DNA. Lean Six Sigma, Process Standardisation, Performance Variance Reduction (PVR) and Knowledge Management are some of the quality initiatives which are deeply ingrained in Bharti Airtel's processes. The Company continuously invests in training and development of its employees to champion these initiatives. It continually raises the benchmark by getting assessed by external quality agencies. In this regard, its ISO27001 implementation is among the largest in the world. Bharti Airtel is TL9000 and PCI DSS compliant and its IT infrastructure and processes are compliant with COBIT and ITIL best practices.

BRANDING

Bharti Airtel has been rated as the 'Strongest Brand' by the Economic Times - Brand Finance 'Brand Power Rating'. Brand Airtel was the only corporate brand to be awarded the AAA rating which means 'extremely strong' and it improved its rating from the previous AA+. Airtel was also rated as the 7th Most Valuable Brand in India with a brand value of USD 2.5 bn and was the only telecom player to feature in the top 10 most valuable brands. Airtel also crossed the 100 mn customer base and extended its brand in DTH and IPTV services.

In mobile services, the overarching brand philosophy focused on celebrating the idea of people and relationships. It continued the segmented approach, which strengthened the brand's relevance across various socio-economic segments of close to 600 mn mobile users in the country.

Airtel marked its milestone of crossing 100 mn customers with a thematic campaign on 'Together Good Things Happen'. The concept acknowledged each individual as an accumulation of people, relationships and experiences. The refreshed logo used in the campaign comprised of faces of people - customers, employees and partners, who have made the brand what it is. The brand campaign was endorsed by the movie icon, Shahrukh Khan, who resonated with Airtel's belief that his people and relationships define him. For urban centers, the brand's belief in togetherness was extended to an on-ground manifestation through the ownership of the Airtel Delhi Half Marathon.

In the midst of hyper competition with new players in the market, Airtel offered multiple competitive advantages to its customers, most significant of which was a network with over 110 mn people on it, who could now talk with each other at 50 paise per minute, local and STD. 'Affordability' as a proposition to the customer was further driven through consecutive campaigns on roaming at 60 paise per minute and 1 paise per second, and the recent value series featuring Sharman Joshi.

In the DTH segment, Airtel digital TV continued to gain a strong mindshare and market share in the year 2009-10 through key brand campaigns aimed at building differentiation based on technology and product superiority. A high decibel campaign featuring superstars Kareena and Saif along with former Miss India Sarah Jane Dias brought to the audience the advantage of "Picture clarity" which triggered faster adoption for DTH. This campaign was supported by MPEG 4 DVB S2 technology which only Airtel offered at that point of time. The next campaign announced the launch of digital TV "Recorder". Airtel was the second player to launch this product. To create a strong differentiation and consumer benefit, the campaign talked about the "Record from mobile" feature. With the "record from mobile" feature, one can record live TV with ease anytime, anywhere.

MAJOR AGREEMENTS AND ALLIANCES

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

- With **Alcatel Lucent** to manage Bharti Airtel's pan-India access network for broadband and telephone services through a joint venture company
- With **Ericsson and Nokia Siemens** extending network upgradation contract for 2 years for providing a superlative customer experience at a lower cost
- With **Royal Government of Bhutan** to launch a new terrestrial cable network to Bhutan to further the growth of the IT/ITES and Data Centre market in Bhutan

- With **Cisco** to create and launch unique products, including managed data services, hosted unified communications, connected branch services and Cisco TelePresence
- With **HTMT and Firstsource**, expanding the call center contracts to include two more partners, thereby achieving a capability to handle 1.4 bn minutes of customer calls
- With **Limelight Networks** for global content delivery network
- With **global telcos** in launching unity cable system to boost Trans-Pacific connectivity
- With **global telcos** to build and operate the Southeast Asia Japan Cable System rated among the highest capacity cable systems in the world
- With **Twitter**, allowing its customers to send and receive SMS tweets on Twitter
- With **Dow Jones** to launch The Wall Street Journal India mobile application providing the latest international and Indian financial and business news from The Wall Street Journal and Dow Jones Newswires, exclusively for Airtel customers on the mobile platform
- Investment in Asia America Gateway (AAG), Unity North, South East Asia Japan Cable system (SJC), India Middle East Western Europe (IMEWE), East African Submarine System (EASSy) cable systems with consortium partners for extending global reach to 50 countries across 5 continents
- “**VPN in a box**”, a bundled product offering - MPLS bundled with last mile connective and customer premise hardware
- **Website Builder** for customers with 15,000 built-in templates, domain names and e-commerce capabilities
- **mChek** on voice, thereby expanding the range of mobile commerce application
- **Digital Media Exchange (DMX) and Teleport** services for integrated content delivery for Media customers thereby marking Airtel’s foray into the “4th screen” for digital cinema content delivery
- **Airtel Digital TV Recorder**, an enhanced Set Top Box (STB) with capability to record live television, anytime, anywhere
- **Mobile Comics Portal** on Airtel Live, allowing its subscribers to access more than 300 Indian and International comics via WAP
- **Freedom Plan**, giving its customers to choose from a variety of plans based on usage and calling patterns and; **Turbo Plan** allowing its customers to enjoy substantial advantage while roaming anywhere
- **Far-East Connect Network** to serve global wholesale by linking Singapore and US via **Asia America Gateway (AAG)** cable landing in Singapore
- **Ethernet Services** in more than 25 global cities across Asia, Europe, North America and Australia
- **Mobile Application Tool for Enterprises (MATE)** that enables mobile devices to become an integral part of enterprise network, by allowing seamless, secure and On-Demand access to enterprise business data from anywhere, anytime

NEW PRODUCTS/INITIATIVES

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

- World’s first Windows-based Online Desktop powered by **Microsoft and Nivio** on Airtel broadband
- India’s first mobile application store - **Airtel App Central** which offers over 1,500 applications for download across 550+ devices categorised under 25 customer categories
- ‘**Airtel Hosted Mail**’ - powered by Microsoft Exchange Server 2007, a corporate mailing solution for Small and Medium Business (SMB) across the country to offer a robust enterprise grade mailing solution with an inbox as big as 4 GB along with a wider range of communication tools enabling them to share email messages, contacts, calendars, work folders, task list and documents from either their PC or mobile phone
- **HTC Smart**, world’s first commercial 3G Smartphone based on brew MP platform in partnership with HTC and Qualcomm
- **Ultra fast 50 MBPS broadband** offering the fastest wire line broadband in the country. The service will be initially available in Delhi and Gurgaon, with phased roll-out in cities of Mumbai, Chennai and Bengaluru

CAPITAL MARKET RATINGS

As at March 31, 2010, Bharti Airtel Limited has outstanding ratings with four institutions, two of them domestic, viz. CRISIL and ICRA, and two international, viz. Fitch Ratings and S&P.

- CRISIL and ICRA have rated Airtel at the top end of their rating scales, both for short term (P1+ / A1+) as well as long term (AAA/LAAA)
- Both Fitch Ratings and S&P have rated Airtel at the level of the sovereign rating of India (BBB-)

Subsequent to March 31, 2010, and pursuant to the closure of the Zain transaction and related acquisition debt, while CRISIL, ICRA and Fitch Ratings have reaffirmed the above ratings, S&P has moved the rating to BB+.

SHARE CAPITAL

During the year, the Company issued 919,734 (sub-divided) equity shares of Rs 5 each upon exercise of stock options under ESOP Scheme 2005 of the Company.

Further, the Company also allotted 65,385 (pre-split) equity shares of Rs 10 each upon conversion of Foreign Currency Convertible Bonds (FCCB’s) by their holders in May 2009.

In July 2009, the Company has sub-divided its 1 equity share of Rs 10 each into 2 equity shares of Rs 5 each.

Due to these corporate actions, the issued, subscribed and paid-up equity share capital of the Company increased from 3,796,479,592 (sub-divided) (March 31, 2009) to 3,797,530,096 equity shares as of March 31, 2010.

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. A certificate from the auditors of the Company, S.R. Batliboi & Associates, Chartered Accountants, Gurgaon confirming compliance of conditions of Corporate Governance as stipulated under clause 49 is annexed to this 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 applicable corporate laws, regulations and guidelines issued by the Securities and Exchange Board of India and other statutory authorities, the Company has voluntarily started a practice of secretarial audit from a practicing company secretary.

The Board had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct secretarial audit of the Company for the financial year ended March 31, 2010, 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.

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

Since last Directors' Report, Paul O'Sullivan, Quah Kung Yang and Mauro Sentinelli have resigned from the Board due to personal reasons and Bashir Currimjee has retired from the Board in terms of the policy on independent directors adopted by the Company. During the year, Tan Yong Choo and Lim Chuan Poh were appointed as directors. The Board places on record its sincere appreciation for the services rendered by

Paul O'Sullivan, Quah Kung Yang, Mauro Sentinelli and Bashir Currimjee during their tenure on the Board.

Chua Sock Koong, Pulak Chandan Prasad, Rajan Bharti Mittal and Rakesh Bharti Mittal retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment.

A brief resume containing 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 ensuing annual general meeting.

FIXED DEPOSITS

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

AUDITORS

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, 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.

AUDITORS' REPORT

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

EMPLOYEES STOCK OPTION PLAN

The Company values its human resource and is committed to adopt the best HR practices. The employees of the Company are presently benefited from two ESOP schemes under 2001 and 2005 Employee Stock Option Policy. Besides attraction of

new talent, the policies also helps in retention of well-performing employees, who are contributing to the growth of the Company.

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 exercise stock options under the Scheme.

Under the ESOP Scheme 2005, the employees were allotted new equity shares upon exercise of stock options up to March 2010. In the board meeting held in April 2010, the Board has approved acquisition of the Company's equity shares up to the limit approved by the shareholders in the existing Trust and appropriate the same towards the Scheme. Accordingly, henceforth under the ESOP Scheme 2005, instead of allotment of fresh equity shares, the Company will transfer the shares so acquired from the trust to the respective employees. There will be no fresh allotment of equity shares under the ESOP Scheme.

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, if 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 shall 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 Companies (Particular of Employees) Rules, 1975 have been set out in the annexure to this report. However, in terms of the provisions of section 219(1)(b)(iv) of the Act, the annual report has been sent to the members of the Company excluding these information. Members who desire to obtain this information may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) the applicable accounting standards have been followed along with proper explanation relating to material departures, in the preparation of the annual accounts for the year ended March 31, 2010;
- (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

The directors wish to place on record their appreciation to the Department of Telecommunications (DOT), the Central Government, the State Governments, Government of Bangladesh, Sri Lanka and Africa, 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 also like to thank various partners viz. Bharti Telecom, Singapore Telecommunications Limited and other shareholders for their support and contribution. The Board looks forward to their continued support in future.

For and on behalf of the Board

Sunil Bharti Mittal
Chairman and Managing Director

Auditor's certificate

regarding compliance of conditions of corporate governance

Annexure - A

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, 2010, as stipulated in clause 49 of the listing agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of corporate governance is the responsibility of the Company's 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 efficiency or 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: Gurgaon

Date: April 28, 2010

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's long distance business has seen significant growth and with India's increasing integration into the global macro economy, further growth is anticipated. The Company has strong relationships for under-sea networks and continues to look for opportunity to invest in major cable systems to increase its presence and share of global traffic.

International Calling Card Services

The Company offers cost effective and reliable international calling services (Airtel CallHome) and Value Added Services, through its wholly owned subsidiary companies and connects the widespread NRI population in USA, UK, Canada and Singapore to their families in India and several other locations worldwide. The Company also plans to extend its wide range of services to other countries of the world through its global network.

Telecom Services in other countries

The Company continuously explores and evaluates various opportunities for growth and expansion inside and outside the country organically and through alliances,

mergers/acquisitions in identified markets, subject to availability of licenses, growth potential and cost as well as other relevant factors.

Bharti Airtel entered its second year of operations in Sri Lanka through its wholly owned subsidiary Bharti Airtel Lanka (Pvt) Ltd. Marketing voice and data solutions through a state of the art 3.5G network, the operations crossed one million revenue earning customers' mark in less than 6 months of launch. Having gained leadership on both incremental customer market share and revenue market share indices, Bharti Airtel's first international foray has been recognised as Sri Lanka's fastest growing wireless service provider. The Company has commenced its expansion into the newly liberated North and East geographies of the country, which were inaccessible until now.

In January 2010, the Company acquired 70% stake in Warid Telecom, Bangladesh (Warid) through infusion of fresh equity of approx USD 300 mn. Warid offers mobile services across all 64 districts of Bangladesh with a distribution network of 124 distributors and 34,000 retailers across the country.

On March 30, 2010, Company entered into a legally binding definitive agreement with Zain Group to acquire Zain Africa B.V. based on an enterprise value of USD 10.7 bn. Zain's African mobile services operations cover 15 countries with a total customer base of over 42 mn. With telecom penetration of approximately 32%, Zain covers a total population of over 450 mn in the region. The countries in which Zain Africa operates are - Burkina Faso, Chad, Congo Brazzaville, Democratic Republic of Congo, Gabon, Ghana, Kenya, Madagascar, Malawi, Niger, Nigeria, Sierra Leone, Tanzania, Uganda and Zambia. Zain is the market leader in 10 of the 15 countries and second in 4 countries. Along with Zain Africa B.V., the Company is the first Indian brand to go truly global with a footprint that covers over 1.8 bn people, with operations in 18 countries across Asia and Africa having a customer base of over 180 mn. This cross-border transaction is expected to further strengthen the historic Indo-Africa economic & social ties and provide a big boost to South-South cooperation.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earning Rs 17,943 mn

(b) Total Foreign Exchange Outgo Rs 34,583 mn

Annexure - C

Information regarding the Employees Stock Option Scheme (as on March 31, 2010)

Sl. No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	21,337,264*	39,361,579**
2)	Pricing formula	Exercise Price not less than the par value of equity share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 on Grant Date	29,015,686 @ 11.25 1,760,000 @ 0.45 4,380,000 @ 35.00 142,529 @ 0.00 3,998,364 @ 5.00 40,000 @ 60.00 25,000 @ 110.50
3)	Option vested	9,708,730	36,857,036
4)	Number of options exercised	2,226,368	28,549,505
5)	Number of shares arising as a result of exercise of option	2,226,368	Nil
6)	Number of option lapsed	6,281,934	8,516,872
7)	Money realized upon exercise of options	Rs 283,712,555	Rs 375,268,085
8)	Total number of options in force	12,828,962	2,295,202
9)	Options granted to senior managerial personnel		
	• Ms. Abhilasha Hans	26,600	Nil
	• Mr. Ajai Puri	42,000	Nil
	• Mr. Atul Bindal	61,400	Nil
	• Mr. Deven Khanna	10,600	Nil
	• Dr. Jai Menon	59,000	Nil
	• Mr. Joachim Horn	Nil	90,000
	• Ms. Jyoti Pawar	20,000	Nil
	• Mr. K. Shankar	39,000	Nil
	• Mr. Manik Jhangiani	Nil	150,000
	• Mr. Manoj Kohli	91,400	Nil
	• Mr. N. Arjun	34,600	Nil
	• Mr. Narendra Gupta	10,600	Nil
	• Mr. S. Asokan	31,400	Nil
	• Mr. Sanjay Kapoor	89,000	Nil
	• Mr. Sarjit Singh Dhillon	10,600	Nil
	• Ms. Shamini Ramalingam	11,400	Nil
	• Mr. Srinivas K	59,000	Nil
	• Ms. Vijaya Sampath	3,534	Nil
10)	Diluted earning per share (EPS) as per AS 20	0.0017	NA
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	NA	38,04,341 (0.001)
12)	a) Weighted average exercise price	Rs 270.13	a) Rs 11.25; Re 0.45; Rs 35; Rs 0; Rs 5; Rs 60; Rs 110.5
	b) Weighted average fair price	Rs 155.11	b) NA; NA; NA; Rs 69.70; Rs 251.46; Rs 84.43; Rs 357.63
13)	Method and significant assumptions used to estimate the fair values of options	Black Scholes / Lattice Valuation Model	
	(i) risk free interest rate	i) 6.44% p.a. to 7.86% p.a. (The Government Securities curve yields considered as on valuation date)	
	(ii) expected life	ii) 48 to 66 months	
	(iii) expected volatility	iii) 36.13% to 37.47% (assuming 250 trading days to annualize)	
	(iv) expected dividends	iv) 20% (Dividend yield of 0.31%)	
	(v) market price of the underlying share on grant date	v) Rs 307.42 to Rs 412.13 per equity share	

* Granted 2,602,712 options out of the options lapsed over a period of time

** Granted 7,681,579 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
- The quantum and the price of the options have been adjusted due to sub-division in the face value of shares
- Other than the employees stated in point no. 9, no other employee was granted stock options exceeding 5% of the total grants or exceeding 1% of the issued capital during the year

Management Discussion & Analysis

ECONOMIC OVERVIEW

The global economy is recovering better than expected. With the recovery gaining traction, risks to global financial stability appears to be easing out. Better growth prospects in many emerging economies and low interest rates in major economies shall influence capital flows in emerging economies. International Monetary Fund (IMF) estimates global GDP to grow at 4.25% in 2010, following a 0.5% contraction in 2009.

Amongst economies of size, India continued to be second fastest growing in the financial year 2009-10. Following a slowdown in the previous year, Indian economy rebounded with a GDP growth of 7.4% as per the revised estimate of Central Statistical Office, Ministry of Statistics and Programme Implementation, Government of India. Sectors of manufacturing, construction, trade, hotel, transport and communication contributed over 50% towards GDP. Importantly, all these sectors maintained a sustained growth trend quarter-over-quarter during the year. This trend together with the prediction of a favourable south-west monsoon and accelerated spending on infrastructure development shall help Indian economy return back to the GDP growth range of 8.5-9.0% in the financial year 2010-11.

INDIAN TELECOM SECTOR

India is the second largest telecom market in the world and is amongst the fastest growing markets. The country offers robust growth opportunities driven by strong growth fundamentals, increasing urbanisation, rising income levels and favorable demographics. The majority of new customers are likely to come from the rural areas with inadequate basic infrastructure and limited or no connectivity, demanding lower tariffs for voice calls and value added services like information about market and commodity prices, weather updates, health updates coupled with vernacular support at the user interfaces. The urban consumer demands high speed internet connectivity, audio video streaming, navigation and location maps, music downloads, gaming, m-commerce, IPTV and mobile TV. Innovations like shared infrastructure, new low cost technology and energy saving devices are critical for roll-out in rural areas. M-Commerce will emerge as the future growth engine as the industry shifts from voice to data services. The convenience of the mobile phone as an instrument for conduct of financial transactions and its potential in the process of financial inclusion and growth has been well recognised. There is a large untapped potential for these services in the Indian market. Given the huge growth potential offered by the telecom industry through the increased coverage and newer products and services, the competition will remain intense with both existing and new players attempting to maximise their share of the growing telecom pie.

Indian telecom sector continued to register a robust growth in the financial year 2009-10 and added 191.55 mn new connections between April 2009 and March 2010.

The number of telecom subscribers in India reached 621.28 mn and the overall teledensity reached 52.74% at the

end of March 2010. Subscription in urban areas grew to 420.51 mn, recording an annual growth of over 37% and taking the urban teledensity to 119.45%. Rural subscriptions grew by over 62% to cross the 200 mn mark and improved the rural teledensity to 24.31% during the year.

While wireline connections de-grew by 2.61% during the financial year 2009-10, the growth of the telecom sector was driven by wireless segment. The wireless segment grew by 49% during the year reaching 584.32 mn as on March 31, 2010.

Broadband subscriptions reached about 8.75 mn at the end of March 2010. Broadband connectivity has reached 4,044 cities; 5,431 block headquarters and 613 district headquarters covering about 106,559 villages.

RECENT DEVELOPMENT IN REGULATIONS

Telecom sector is one of the highly regulated sectors in India. Beside Department of Telecom, the Telecom Regulatory Authority of India set up by the Government of India is the nodal authority, which regulates the telecom services including fixation/revision of tariffs for telecom services in India. During the previous year the key regulatory changes were as follows:

Regulatory Changes

- **Auction of 3G and BWA**

On February 25, 2010, DoT issued a notice inviting application (NIA) for 3G auction to invite potential bidders to apply for 3G (2.1 GHz) and BWA (2.3 GHz) spectrum auction. The 3G mobile services will allow high-speed content download and broadband services. BWA (Broadband Wireless Access), also known as WiMAX in international jargon is wireless (not mobile) broadband access technology.

The successful bidders will be allowed to offer 3G services on commercial basis from September 1, 2010 while fulfilling roll-out obligations within five years from the time of the grant of spectrum.

- **Mobile Number Portability**

On September 23, 2009, TRAI issued "Telecommunication Mobile Number Portability Regulations, 2009". Subject to fulfillment of certain conditions, the Regulation will allow a mobile subscriber to switch to another service provider within the same licensed area at a nominal charge. The date of enforcement of the Regulations is yet to be notified.

- **Launch of Calling Card by Long Distance Operators**

On August 21, 2009, DoT has allowed the national and international long distance operators to offer voice service excluding IN based services i.e. tele voting, toll free service, value added services, ringtones and local voice service, through calling cards.

- **Restriction on Sale of Equity**

On July 23, 2009, DoT, vide a circular, introduced a lock-in period for sale of equity by a person who hold 10% or more share capital in UAS licensee company on the effective date of UAS license and whose net-worth is taken into consideration for determining the eligibility for grant of UAS license, till completion of 3 years from the effective date of the UAS licence or till fulfillment of all the rollout obligations, whichever is earlier. The circular permits issue of additional equity share capital by the UAS licensee company by way of private placement/ public issues and bars declaration of dividend in such cases.

However, the provision of lock-in period will not apply, for transfer of shares in favour of lending financial institutions/banks in pursuance of enforcement of pledge of equity shares with them, in the event of defaults committed by the UAS licensee company.

- **Withdrawal of Benefit of Exemption of Licence Fee for Fixed Wireline Services in Rural Areas**

On May 15, 2009, TRAI withdrew its order /benefit of licence fee exemption for fixed wire line services in rural areas which they had provided to all operators vide their earlier order dated August 29, 2008.

- **Value Added Services**

On April 27, 2009, TRAI issued a direction requiring the service providers to procure written consent of the subscriber before activation of chargeable VAS such as Hello Tunes etc. by dialing certain special keys like '*'. The direction also requires service providers to seek explicit consent of the customer for activation of the value added services in case the provision of VAS is through mechanism of pressing of special keys.

Regulatory Work in Progress

- **Subscriber re-verification**

On September 30, 2009, DoT issued a direction mandating the re-verification of existing subscriber base within a time period of maximum 1 year w.e.f. November 1, 2009.

- **DTH Tariff Related**

On December 24, 2009, TRAI issued a consultation paper on tariff related issues for DTH services. The paper takes up the following important issues for deliberations:

- Need to differentiate various packages for the purpose of wholesale tariff determination and related terms and conditions
- Need for a DTH operator to extend a-la-carte mode of service provisioning of a TV channel to the subscriber and related terms and conditions

- **Passive Infrastructure Related**

On January 12, 2010, TRAI issued a pre-consultation paper seeking views of the industry players to bring the telecom tower infrastructure business under the ambit of

regulations. TRAI also wanted to review the impact of radiations from telecom towers and right of way in erecting these towers.

- **Revised Spectrum Charges**

On February 25, 2010, DoT announced revised 2G spectrum charges for both the GSM and CDMA operators, which if implemented, would be effective from April 01, 2010. Based on the TDSAT order, as on date the order has not been enforced by the Government.

- **Security Clearance for procuring Telecom Equipments/ Software**

On February 25, 2010, DoT made it compulsory for all telecom operators to get security clearance on all network equipments before it is imported into India. The direction also required the equipment vendors to transfer technology to Indian manufacturers within 3 years of selling machines to any Indian operator.

- **Co-location Charges**

On March 17, 2010, TRAI issued Consultation Paper on co-location charges containing detailed terms and conditions for co-location, measures to ensure transparent and non-discriminatory treatment in pricing, provisioning of co-location facilities and sharing of cost of co-location by the seeker and provider.

OPPORTUNITIES AND THREATS

Opportunities

Untapped Landscape

Indian telecom market holds large untapped potential in rural areas. With majority of the population yet to get access to telecommunication and teledensity at ~ 53% with rural teledensity at ~ 24%; there is significant growth potential for the sector. Urban areas present potential for wireline and internet services. Rural areas shall provide robust and sustainable growth in mobile services segment.

New Technologies and Paradigms

After the exponential growth in recent years, Indian telecom sector is poised to transit towards better technology and service delivery. Coming years look even more exciting. One of the key drivers in this direction is roll out of 3G and BWA technology. New technologies such as HSPA, Wimax and Wifi will extend the reach of telecommunication services and offer new platforms for development of new businesses.

Triple Play services will gather momentum with operators getting into media space with IPTV and DTH platforms. The growing demand for digital content will be the driver for accelerating growth of these services. Teleport Services and Digital Media Exchange (DMX) will get content aggregation capabilities and will open avenues for the 4th screen – Cinema for the telecom domain.

Value Added Services (VAS) is the sum of non-voice consumer utilities. This includes SMS, MMS, music downloads, various updates and alerts, mobile TV, video streaming, sophisticated

m-commerce applications etc. Prior to 2008, majority of VAS revenues were attributable to short messaging services. However, recent trends indicate that this trend is evolving. With greater penetration of new services, availability of relatively inexpensive feature-rich handsets and consumer education, VAS other than SMS is gaining importance. It is further expected that over the next few years, non-SMS VAS would become a dominant contributor to VAS revenue.

Growing Overseas Footprints

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

Strong Strategic Partnerships

Forming enduring partnerships of strategic importance successfully is an intrinsic part of Bharti Airtel's DNA. Company's strategic alliance with Singtel has enabled it to continuously enhance and expand its telecommunication network in India. Singtel's investment in Bharti Airtel is one of their largest investments in the world outside Singapore.

IBM is Bharti Airtel's partner for all business and enterprise IT systems. Company's contract with IBM caters to technology evolution, scale, tariff changes and subscriber growth. More than 90 hardware, software and service providers serve Bharti Airtel through IBM. Ericsson, Nokia Siemens and Huawei are network equipment partners of Bharti Airtel. During the year, the Company had awarded a network expansion contract each to Ericsson (worth USD 1.3 bn) and Nokia Siemens (worth USD 0.7 bn). The Company has formed a Joint Venture with Alcatel Lucent to manage its pan-India broadband and telephone services. This partnership will help in Company's transition to next generation networks in order to offer advanced services like high-speed internet, triple play, media-rich VAS, MPLS and VPN.

During the year, the Company formed a strategic alliance with Cisco for jointly producing products and services for the Small and Medium Businesses (SMB). Partners like Juniper, ECI, Tellabs, Wipro provide various equipments for Telemedia and Long Distance Services of the Company. IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis, and Hinduja TMT are associated as call centre partners and provide superlative experience to Company's customers.

In addition, the Company works with several globally renowned organisations like On Mobile, Yahoo, Google, Cellerum and Comviva to improve its customers' VAS experience via services like CRBT, music on demand, e-mail services etc. During the year, the Company formed a strategic partnership with Limelight Networks for Content Delivery Network (CDN) services.

These strategic partners have been an integral part of Bharti Airtel's achievements over the years. They have supported its ambitious growth plans, helped it launch new and innovative

products in the market and maintain its leadership position in the telecom industry. Besides these strategic partners, Bharti Airtel is also associated with a large number of partners, spread across the globe, who support its product and service requirements. The Company seeks regular feedback from its partners through Annual Partner Meets, Satisfaction Surveys and Regular Management Interactions. These initiatives play an important role in developing an enduring relationship.

Threats

Global Economic Environment

The global economy is recovering at varied pace with the developed economies progressing at a very moderate pace. Large MNC's operating from India are still cautious with their expansion plans, which might possibly impact Bharti Airtel's Enterprise Services Business. However, with increased focus on Small and Medium businesses and enhanced portfolio of telecommunications solutions, this threat can be mitigated.

Increased Competition

Financial year 2009-10 witnessed entry of several new operators and roll-out of their services in various circles. The market also saw entry of many international and long distance operators. The resultant increase in competition can lead to further lowering of tariff and put pressure on marketing expenses. 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.

REVIEW OF OPERATIONS

Bharti Airtel put up a strong performance in the financial year 2009-10. With the highest-ever net addition of 34 mn customers in a single year, it grew its customer base by 35% and closed the year with 131 mn customers on its network in India. Mobile services clocked over 127 mn subscribers, recording a growth of 36%. The Company maintained its leadership position as the largest mobile service provider by customer base and its market share stood at 21.8%. 95.8% of Bharti Airtel's 127.62 mn mobile customers were using pre-paid services as at March 31, 2010. The Company's Telemedia Services customer base grew by 12% to reach 3 mn.

The Company closed the financial year 2009-10, carrying over 2 bn minutes a day on its network. It added 31 census towns and 24,027 non-census towns and villages under its coverage and grew the population coverage to 84% (from 81% as at March 31, 2009). The Company's optic fibre network grew to 126,357 route kms with addition of 25,020 route kms during the year.

FINANCIAL PERFORMANCE

(Amount in Rs mn, except ratios)

Particulars	Financial Year		Y-o-Y Growth
	2009-10	2008-09	
Total revenues	418,295	373,521	12%
EBITDA	168,473	152,858	10%
PBT	108,954	85,910	27%
PAT	91,631	78,590	17%
Gross assets	721,163	586,616	23%
Capital expenditure	136,071	166,945	-18%
Capital productivity	58.00%	63.67%	-

SEGMENT- WISE PERFORMANCE**Mobile Services**

Mobile services segment is the dominant contributor to the Company's revenues and customer base. The Company expanded its operations to 5,091 census towns and 438,933 non census towns and villages in India during the year, covering 84.2% of the total population. In India, the customer base increased to 127.62 mn customers as on March 31, 2010 from 93.92 mn customers a year ago.

In Sri Lanka, Company's subscriber base crossed one million customers during the year. Operating across 16 administrative districts of Sri Lanka, the Company launched 3.5G services in major towns. Company's distribution strength has gone up with a widened network of 23 distributors and over 15,000 retailers across the country.

The Company viewed Bangladesh, with a population of over 160 mn and teledensity of 32%, as a promising market. It started mobile services operations in Bangladesh during the year with the acquisition of 70% stake in Warid Telecom of Bangladesh. With a sizeable customer base, Warid Telecom offers mobile services across 64 districts and deploys a distribution network of 124 distributors and 34,000 retailers.

Revenues from mobile services for the financial year were Rs 325,717 mn, representing a growth of 7% over the revenues in the previous financial year. Mobile services contributed 78% to the consolidated revenues. The growth in revenues was despite of the growing competition with the entry of new players, coupled with significant reduction in tariffs during financial year 2008-09.

Key financial results for the year ended March 31, 2010

Particulars	Financial Year		Y-o-Y Growth (%)
	2009-10	2008-09	
Customers (mn)	127.62	93.92	36
Gross revenue (Rs mn)	325,717	304,188	7
EBIT (Rs mn)	69,379	68,746	1

Telemedia Services

Under telemedia services, Bharti Airtel provides broadband, data and fixed line telephone services across 89 cities of India. The focus in recent years has been on customised telecom/IT solutions for small and medium sized businesses. The Company strategically continues to focus on cities with high revenue potential. Total customer base for telemedia services

reached 3.07 mn, recording an increase of 12% over 2.72 mn customers at the end of financial year 2008-09. Of this, 1.30 mn customers were subscribing to broadband services. Percentage of customers subscribing to broadband services has increased from 39.3% as at end of financial year 2008-09 to 42.3% as at end of financial year 2009-10. The Company is committed to provide superior internet browsing experience to all its customers through high speed plans. The Company has introduced 4 mbps speed plans and has upgraded all its existing customers to a minimum of 512 Kbps speed at no extra cost.

The revenues from telemedia services for the financial year were Rs 34,194 mn, representing a growth of 2% over the revenues in the previous financial year.

Key financial results for the year ended March 31, 2010

Particulars	Financial Year		Y-o-Y Growth (%)
	2009-10	2008-09	
Customers (mn)	3.07	2.72	13
Gross revenue (Rs mn)	34,194	33,426	2
EBIT (Rs mn)	7,518	8,188	-8

Enterprise Services

Bharti Airtel's enterprise services is fast emerging as India's leading integrated communications solutions provider for large enterprise and carrier customers, in and beyond India. Offering a full suite of telecommunication services across voice, data, network integration and managed services; Bharti Airtel is a trusted partner to India's leading organisations.

Enterprise services owns a state of the art national and international network consisting of cable infrastructure and global Points of Presence (PoP) and everything else that is required to provide unmatched communication solutions to its partners and clients. Its national long distance infrastructure comprises of 126,357 route km of optical fibre, over 4,488 MPLS and SDH POPs and over 1,700 POIs with the local exchanges, providing a pan India reach in 304 LDCA's and 1,741 SDCA's.

The international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore; consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe; and its investments in new cable systems such as Asia America Gateway (AAG), India Middle East and Western Europe (IMEWE), Unity North, EIG (Europe India Gateway) and East Africa Submarine System (EASSy), extending our reach all across the globe with over 225,000 route kms, covering 50 countries spread over 5 continents.

Enterprise services serves as the single point of contact for all telecommunication needs for corporate customers in India. It specialises in providing customised solutions to address unique requirements of different industry verticals: BFSI, IT, ITes, Manufacturing and Distribution, Media, Education, Telecom, Government, PSUs and Retail among others.

The revenues from the enterprise services for the financial year were Rs 84,386 mn, representing a growth of 1% over the revenues in the previous financial year.

Key financial results for the year ended March 31, 2010

Particulars	Financial Year		Y-o-Y Growth (%)
	2009-10	2008-09	
Gross revenue (Rs mn)	84,386	83,417	1
EBIT (Rs mn)	34,248	31,637	8

Digital TV Services

Bharti Airtel's Digital TV Services is amongst the frontrunners in DTH domain. In addition to a superior viewer's experience, the Company offers innovative packages like pay per view content and interactive services. It launched digital TV recorder, enabling customers to record live TV content through their mobile phone.

With a customer base of 2.5 mn; and services spreading across 5,000 towns and 15,000 villages; Digital TV services is well placed to increase its customer and market share, and eventually emerge as the market leader.

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 passive infrastructure in 11 circles of India and also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea Cellular). Indus operates in 16 circles (4 circles common with Infratel, 12 circles on exclusive basis).

Bharti Infratel has 30,568 towers in 11 circles, excluding the 35,066 towers in 12 circles for which the right of use has been assigned to Indus with effect from January 01, 2009. Indus Towers has a portfolio of 102,938 towers including the towers under right of use.

Key financial results for the year ended March 31, 2010

Particulars	Financial Year		Y-o-Y Growth (%)
	2009-10	2008-09	
Gross revenue (Rs mn)	70,082	50,913	38
EBIT (Rs mn)	6,327	3,204	97

RISKS AND CONCERNS

Bharti Airtel has a robust process to identify key risks and prioritise relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include

- **Changes in regulatory environment**

Despite being a regulated and competitive sector, Indian telecom sector is maturing fast and continues to offer level playing field. Larger players control majority of market share and regulatory authorities keep consumers' interest at the forefront. All this makes India a promising telecom market. Private players have instrumented the

telecom growth in the country and Bharti Airtel has led from the front. In the process, it has created a large pool of loyal customers and talented human resource capital, in addition with a vibrant Airtel brand.

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

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

The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations under most circumstances.

- **Change in existing technology increasing capital cost**

In order to remain competitive, the Company consistently introduces sophisticated new technologies. If the new technologies it has adopted, or which it intends to adopt, fails to be cost effective and accepted by its customers, the Company's ability to remain competitive could be affected.

The Company has prudently deployed new technologies after assessing the experience, its international partners have had in deployment processes before choosing to do itself.

- **Increased competition bringing tariff down temporarily**

Telecom industry in the year gone by has witnessed entry of various new players in the telecom space which has resulted into stiffening of competition and drop in tariffs. The Company foresees this to be a short term to a medium term phenomenon.

- **Talent acquisition and retention**

The growth of the Indian economy, coupled with entry of new players in the telecom space has led to an increased requirement for talented managerial personnel. The Company believes that talented manpower is a key strength. Given the track record and success of its employees, other companies often look to Bharti Airtel as a hunting ground for talent.

As a retention strategy, the Company has issued many schemes including ESOPs. Further, in order to mitigate the risk it places considerable emphasis on development of leadership skills and on building employee motivation.

Acquiring right talent which aligns with current resource pool and needs arising from emerging technologies is equally important as retaining existing talent. The Company has a stringent process in place for acquiring new talent with right competency and leadership traits. There is concerted focus on building right capabilities in current and new businesses through intensive training and development of employees at all levels.

INTERNAL CONTROL SYSTEMS

The Company's philosophy towards control systems is mindful of leveraging resources towards optimisation while ensuring the protection of its assets. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports; ensures the regulatory and statutory compliance; and safeguards investors' interest by ensuring highest level of governance and periodical communication with investors. M/s. PricewaterhouseCoopers Private Limited is the internal auditors of the Company, who conducts the audit and submits quarterly reports to the Audit Committee. 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. Company's Internal Assurance Group also conducts periodic assurance review in order to judge the adequacy of internal control systems. It simultaneously reports to the Audit Committee of the Board, Chairman and Managing Director of the Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Bharti Airtel considers its employees to be the most valuable asset. Its empowering work culture helps it recruit, nurture and retain some of the best available talent in the markets it operates in.

Development is the core element of its approach to human capital. It recruits people with an objective to create a pool of future leaders. Throughout their tenure, employees collaborate with the Company in their potential assessment and career and development planning. It fosters a culture of rewards and recognition for right results and behaviors. Deploying best practices in HR including mentoring, coaching and continuous training; it continues developing future leadership from within the Company.

The Company undertakes several strategic initiatives in order to retain best talent. Some of them include differentiated compensation, job enrichment and rewarding with special training interventions. During the year, 72% of B3 positions and 84.6% of EC positions were filled internally and the Company retained 96.9% of the top talent.

With new revenue streams like m-commerce and m-entertainment becoming important, the Company stayed focused to hire domain specific specialists and inducted a total of 254 employees from non-telecom sector during the year.

The Company won '2010 Gallup Great Workplace Award' once again and also featured amongst the top 10 companies in 'BT Best Company to Work for' survey conducted by Business Today magazine. One of the key pillars of Bharti Airtel's vision 2010 is 'to be targeted by top talent' and it is well on course to realise it.

As on March 31, 2010, Bharti Airtel's employee count stood at 18,354 as against 24,538 employees on March 31, 2009. Bharti Airtel transitioned some of its employees in Network and BPO outsourcing initiatives. Over 4,000 employees moved to newly formed joint venture with Alcatel Lucent from its access network group.

During the financial year gone by, the Company made strategic organisational changes to enhance its focus on expanding operations to international markets beyond India and South Asia and further consolidate leadership position in India. Manoj Kohli now heads the International Business Group leading Airtel's global foray as CEO (International) & Joint Managing Director. Sanjay Kapoor has been promoted to the position of CEO (India & South Asia).

OUTLOOK

Being the frontrunner in Indian telecom space, Bharti Airtel's outlook is promising in line with the future growth potential of the sector. Company's successful forays in Sri Lanka and Bangladesh add two emerging markets to its growth potential. Its business offerings across the complete telecom services to retail and institutional customers and geographic spread spanning most of the urban and rural India enables it to benefit from all kind of growth opportunities in the Indian market. Its pursuit of international telecom operations shall further bolster its growth prospects in coming years.

Bharti Airtel lays stronger emphasis of data business across domestic and international markets, going forward. It believes data products and solutions drive a significant share of the overall growth. It will continue to focus on DTH business and build scale in newer verticals of commerce and entertainment.

Bharti Airtel's unwavering focus on cost and synergies across the organisation will keep it in good stead and this very business model augurs well for its expansion and success in new geographies.

The Company has entered into definitive agreements with the Zain Group to acquire Zain Africa B.V., for an enterprise value of USD 10.7 bn. The Company, through its overseas wholly owned subsidiary companies, will acquire Zain Africa's mobile operations in 15 countries with a total subscriber base of over 42 mn, resulting in a footprint covering 1.8 bn people across Asia and Africa.

Report on corporate governance

GOVERNANCE PHILOSOPHY

Corporate governance involves a set of relationships between a Company's management, its board, its shareholders and other stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Sound corporate governance helps companies in taking informed business decisions together with earning trust of all stakeholders.

The governance principles may vary from company to company and country to country, but the ultimate objectives remain constant - the commitment to manage business in most transparent manner, maximise the long-term value for shareholders and protect the interest of all stakeholders. In India, clause 49 of the listing agreement with the stock exchanges and the Ministry of Corporate Affairs' detailed Voluntary Corporate Governance Guidelines define the role and responsibilities of the Board towards greater disclosure of the information to shareholders.

Bharti Airtel believes in maintaining the highest standards of corporate governance. It ensures compliance to applicable laws, rules, regulations and guidelines - in letter and spirit. It benchmarks, evaluates, updates its governance principles and guidelines from time-to-time in order to maintain transparency and trustworthiness.

Corporate governance practices at Bharti Airtel aim at the following:

- Compliance with regulatory and fiduciary requirements;
- Complete and timely disclosure of relevant financial and operational information to the Board, enabling it to play an effective role in strategic guidance;
- 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;
- Practice of an informal meeting of independent directors prior to the commencement of every board meeting without the presence of any non-independent/executive director to raise and discuss important issues that they would like to be addressed at the board meeting;
- A formal induction schedule for new 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; and

- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organisation.

CORPORATE GOVERNANCE RATING

CRISIL has assigned Governance and Value Creation (GVC) rating "CRISIL GVC Level 1" to the corporate governance and value creation practices of the Company. The rating reflects Company's commitment towards its stated objective of value creation for all its stakeholders while preserving the high standards of ethics and governance. Bharti Airtel treats corporate governance as a process of moving upwards and aims to benchmark itself with the best practices in India and abroad in order to maintain the highest rating.

BOARD OF DIRECTORS

Composition of the Board

Company's Board is an optimum mix of executive, non-executive and independent directors, which is in compliance with the listing agreements, FDI guidelines, other statutory provisions and terms of the shareholders' agreement. On April 28, 2010 i.e. the date of this report, the Board comprised of sixteen members, two of whom including Chairman are whole-time directors, six are non-executive and eight are independent non-executive directors. In terms of the Policy on Independent Directors adopted by the Company, Bashir Currimjee, independent director would retire from the Board effective April 28, 2010 from the conclusion of the board meeting. In addition, Mauro Sentinelli, independent director has also submitted his resignation effective April 28, 2010 from the conclusion of the board meeting due to his other commitments. Due to retirement of Bashir Currimjee and resignation of Mauro Sentinelli, the number of independent directors on the Board of the Company would fall below fifty percent. The Company will appoint two independent directors in place of the outgoing directors in compliance with clause 49 of the listing agreement within a statutory period of 180 days.

A detailed profile of each of our present directors of the Company is included in this annual report and is also available in the Investor Relations section of our website, 'www.airtel.in'.

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

consent. The appointments of such directors are also approved by the shareholders at the annual general meeting. While the non-independent directors / shareholders' representative directors are appointed on the basis of the

recommendation of the respective shareholders, the independent directors are selected from diverse academic, professional or technical, business background depending upon the business need.

The 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 ² memberships and chairmanships			No. of board meeting attended	Whether attended last AGM
			Director-ships	Committee Chairmanships	Memberships		
Sunil Bharti Mittal	00042491	Executive director – promoter	4	1	Nil	6	No
Manoj Kohli	00162071	Executive director	4	1	1	6	Yes
Akhil Gupta	00028728	Non-executive director	9	2	4	6	No
Chua Sock Koong ³	00047851	Non-executive director	2	Nil	Nil	5	No
Lim Chuan Poh ⁴	02910674	Non-executive director	2	Nil	Nil	2	NA
Paul O'Sullivan ⁵	00051156	Non-executive director	NA	NA	NA	3	No
Rajan Bharti Mittal	00028016	Non-executive director – promoter	8	2	3	4	Yes
Rakesh Bharti Mittal	00042494	Non-executive director – promoter	8	Nil	4	6	Yes
Tan Yong Choo ⁶	02910529	Non-executive director	2	Nil	2	2	NA
Quah Kung Yang ⁵	02274965	Non-executive director	NA	NA	NA	2	No
Ajay Lal	00030388	Independent director	2	Nil	2	6	Yes
Arun Bharat Ram	00694766	Independent director	11	Nil	4	5	No
Bashir Currimjee ⁷	00137892	Independent director	1	Nil	Nil	5	No
Craig Edward Ehrlich	02612082	Independent director	1	Nil	Nil	4	No
Mauro Sentinelli ⁸	02162922	Independent director	1	Nil	Nil	5	No
N. Kumar	00007848	Independent director	6	5	1	5	Yes
Nikesh Arora	02433389	Independent director	1	Nil	Nil	2	No
Pulak Chandan Prasad	00003557	Independent director	1	Nil	1	4	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 section 3(1)(iv)(c) of the Companies Act, 1956
2. Committees considered for the purpose are those prescribed under clause 49(I)(C)(ii) of the listing agreement(s) viz. audit committee and shareholders/investors grievance committee of Indian public limited companies (including private limited companies which are considered as public limited companies in terms of section 3(1)(iv)(c) of the Companies Act, 1956). Committee membership details provided do not include chairmanship of committees as it has been provided separately
3. Attended 2 meetings through alternate directors Jeann Low Ngiap Jong and Quah Kung Yang
4. Lim Chuan Poh was appointed as non-executive director effective January 21, 2010. Attended 2 meetings through alternate directors, Jeann Low Ngiap Jong and Edgar Raymond John Hardless
5. Paul O' Sullivan and Quah Kung Yang resigned w.e.f. January 21, 2010
6. Tan Yong Choo was appointed as non-executive director w.e.f. January 21, 2010
7. Bashir Currimjee would retire from the Board w.e.f. April 28, 2010 from the conclusion of the board meeting
8. Mauro Sentinelli would resign from the Board w.e.f. April 28, 2010 from the conclusion of the board meeting
9. Except Sunil Bharti Mittal, Rakesh Bharti Mittal and Rajan Bharti Mittal, who are brothers and promoter directors, none of the directors are relatives of any other director
10. As on March 31, 2010, the following directors hold equity shares in the Company as detailed below:
 - Akhil Gupta - 2,368,384 (includes shares held jointly with his relative)
 - Ajay Lal - 20,000 shares
 - Manoj Kohli - 262,500 shares

Governance Structure

In order to respond to the growing business requirements, bring cost efficiency and improve capital productivity Bharti Airtel regularly reviews and updates its organisational structure.

With the objective to enhance its focus on expanding operations in international markets beyond India and South Asia, the Company has created a new, empowered and dedicated International Business Group (IBG). IBG is responsible for managing and expanding the Company's

operations beyond the said region and will be based at Nairobi, Africa under the leadership of CEO (International) & Joint Managing Director.

CEO (India & South Asia) is responsible for leading India and South Asia businesses and driving growth in this region.

The organisation is headed by the Chairman and Managing Director. The CEO (International) & Joint Managing Director and the CEO (India & South Asia) administratively report to the Group Chairman and Managing Director. There is a clear demarcation of duties and responsibilities amongst the three positions.

- The Chairman and Managing Director is responsible for providing strategic direction, leadership and governance in addition to leading transformational initiatives and strategic international alliances and effective management of the Company;
- The CEO (International) & Joint Managing Director is responsible for overall business performance, management and expansion of the international operations. He is also responsible for employee engagement, customer satisfaction, outsourcing initiatives and the internal control metrics for international operations;
- The CEO (India & South Asia) is responsible for the overall business performance, management and expansion of the Company's operations in India and South Asia. He is also responsible for driving the growth and business synergies in Mobile Services, Telemedia Services, Enterprise Services and DTH in the region.

Company's India and South Asia business is structured into three Strategic Business Units (SBUs) namely Mobile Services, Telemedia Services, and Enterprise Services. Each of the SBUs is headed by a business president / joint president under the leadership of CEO (India & South Asia).

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

- (a) Strategic supervision and direction is provided by the Board of directors, which exercises independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders. The Board plays a vital role in the overall management of the Company;
- (b) Control and implementation is exercised by the Airtel Management Board (AMB). The CEO (India & South Asia), the presidents/ joint presidents of the three SBUs and the functional directors are members of the Airtel Management Board. The AMB meets on a monthly basis and takes decisions relating to the OneAirtel business strategy and looks at achieving operational synergies across business units. The team owns and drives company-wide processes, systems and policies. The AMB also functions as a role model for leadership development

and as a catalyst for imbibing customer-centricity and meritocracy in the culture of the Company;

- (c) Operations management is led by the Management Boards of the three SBUs. Management Boards are assisted by their respective Hub or Circle Executive Committees (ECs) for day-to-day management and decision making with sharp focus on enhancing the efficiency and effectiveness of the respective businesses;
- (d) Technology management is provided by the Airtel Technology Council, which concentrates on assessing emerging technological trends and achieving consensus on future technology initiatives and action plans.

Company's governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities and thus enables them to perform those responsibilities in the most effective manner. It also allows the Company to maintain its focus on the organisational DNA and current and future business strategies. It also enables in effective delegation of authority and empowerment at all levels.

After acquisition of Zain, the Company is working towards the integration of the entire business of India, South Asia and Africa and will re-design the organisational structure, which is more suitable to the changed business environment.

Independent Directors

Company's Board has adopted a comprehensive policy on independent directors that sets out the criteria of independence, age limits, recommended tenure, membership of committees, remuneration and other related terms. The policy emphasises the importance of independence and states that an independent director shall not have any kind of relationship with the Company that could influence such directors' position as an independent director. As per the policy:

- a) The independent director must meet the baseline definition and criteria on "independence" as set out in clause 49 of the listing agreement and other regulations, as amended from time to time;
- b) The independent director must not be disqualified from being appointed as director in terms of section 274 and other applicable provisions of the Companies Act, 1956;
- c) The minimum age for appointment is 25 years and the maximum is 70 years;
- d) The independent directors to be appointed on at least one committee but not more than two committees of the Board;
- e) It is recommended as a general principle that the independent director should not be a director on board of more than six public listed companies;
- f) Subject to re-appointment at annual general meeting, tenure for independent directors is three terms of three years each. For incumbents who are in their third term, the term will be until completion in the normal course or three years from January 1, 2008, whichever is later;

g) Tenure of independent directors as chairman on board committees is as follows:

- For the chairmanship of the audit committee - three terms of three years each;
- For the chairmanship of the HR committee - two terms of two years each;
- For lead independent director - two terms of two years each.

The Company has adopted a practice of taking self-declaration annually and at the time of appointment from the independent directors to the effect that they qualify the test of independence as laid down under clause 49 of the listing agreement. In addition, the Company also ensures that the directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Roles 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 ("Plans");
- To review and note the Company's risk management framework and its adequacy as well as regular update on the effectiveness of implementation;
- To monitor corporate performance against the 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 meet with the statutory and internal auditors to ensure their independence and effectiveness of the audit system;
- To perform other functions prescribed by law or regulation or assigned to the Board in the Company's organisational documents.

Lead Independent Director

Since Bashir Currimjee would retire w.e.f. the conclusion of the board meeting dated April 28, 2010, Mr. N. Kumar has been designated as lead independent director in his place w.e.f. April 28, 2010. In addition to the roles and responsibilities of an independent director, the lead independent director is entrusted with the following responsibilities:

- Preside over all deliberation sessions of the independent directors;
- Provide objective feedback of the independent directors as a group to the Board on various matters including agenda and other matters relating to the Company;
- Undertake 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, on their own, (without the presence of any non-independent/executive

directors or representatives of management) to discuss and form an independent opinion on the agenda items and other board related matters. The independent directors also meet internal and statutory auditors periodically without the presence of management to ensure their independence and proper discharge of duties by them.

Board Meetings Schedules and Agenda

The calendar for the board and committee meetings as well as major items of the agenda are fixed in advance for the whole year. As a broad principal, generally board meetings are held within 45 days from the close of the quarter in a manner that it coincides with the announcement of quarterly results. In case of urgent necessity, additional board meetings are also called. Generally, the board meetings are held at the registered office in New Delhi, India. The time gap between two meetings does not exceed 4 months. The tentative dates of the board meetings in which financial results would be considered in the ensuing year are also disclosed later in the report.

The audit, HR and ESOP compensation committee meetings are also held on the same day of the board meeting, prior to the board meeting. 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 finalises the agenda for every board and board committee meeting. Detailed agenda along with explanatory notes and annexures, as applicable, are circulated well in advance to all the board members / respective committee members. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Sensitive and confidential subject matters are discussed at the meeting without written material being circulated in advance.

Before every board meeting, as a process, the management also invite proposals from independent directors for discussion/deliberation at the meeting(s). The items suggested by the members are included in the agenda of the meeting.

Generally, the meetings are attended by the members in person, but in case it is not possible for the members to attend the meeting in person, they are also allowed to attend through audio / video conference. The Group CFO, CEO (India & South Asia), CFO are the permanent invitees to the board meeting. Besides functional heads of various business segments / functions, other senior management members are also invited at the board meetings to present their reports on their respective items being discussed at the meeting.

During the financial year 2009-10, the Board met six times i.e. April 29, 2009, July 22 and 23, 2009, October 29 and 30, 2009, January 21 and 22, 2010, February 12, 2010 and March 20, 2010.

The number of meetings attended by each board member is given in the previous section of the report.

Information available to the Board

The Board has complete access to all the relevant information within the Company and all its employees. The information regularly supplied to the Board specifically includes:

- Annual operating plans, capital budgets and updates therein;

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

Induction Process for Board Members

The Company has a formal induction process for newly appointed board members so as to familiarise them with the corporate philosophy and governance principles of the Company. Induction program is organised for two days in which the meetings are set up with the group directors, corporate directors and business heads for better understanding of the business, its operations and its segments. Newly appointed board members are given orientation on the services, group structure, policies and processes adopted by the Company for attainment of its objectives

Directors' Remuneration

The remuneration paid to the executive directors is recommended by the HR committee and approved by the Board of directors within the limits approved by the shareholders.

The remuneration of executive directors 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 payable on the basis of the performance of the individual director at the end of the year, after approval of the financial statements.

The performance targets i.e. the key result areas, together with performance indicators for the executive directors, are based on the balanced score card and are finalised at the beginning of the year. At the end of the year, after the results are announced, 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.

The independent non-executive directors are paid sitting fees within the limits that could be paid without the approval of the Central Government, for attending the board/committee meetings. Further, a commission, duly approved by the shareholders, not exceeding 1% of the net profit of the Company calculated as per the Companies Act, 1956 is also payable to the independent non-executive directors on annual basis. Compensation of independent non-executive directors is linked with the number of meetings attended by the respective director during the financial year.

As per the policy approved by the Board in their meeting held on April 29, 2009, subject to availability of sufficient profits with an overall ceiling of 1% of net profits, the independent directors are eligible for the following commission effective financial year 2009-10:

- Resident Indian directors USD 30,000 per annum
- Non-resident directors USD 50,000 per annum
- Audit Committee Chairman is entitled to an additional commission of USD 10,000 per annum

In addition, the independent non-executive directors are also paid sitting fees as follows:

- Rs 10,000 for attending each meeting of the board of directors
- Rs 10,000 for attending all the meetings of board committees at one occasion

The non-executive directors, Rakesh Bharti Mittal, Rajan Bharti Mittal and Akhil Gupta, representing the key shareholder Bharti Telecom and Chua Sock Koong, Tan Yong Choo and Lim Chuan Poh representing Singtel were not entitled to any remuneration or reimbursement of any expenses during the previous year.

In the board meeting held on April 27, 2010, subject to the approval of the shareholders, the Board has approved a policy on payment to non-executive directors. As per the proposed policy, subject to the availability of sufficient profit and an overall ceiling of 1% of the net profit, all the non executive

directors will be entitled to commission in the following manner w.e.f financial year 2010-11:

- Non-executive directors
 - USD 50,000 per annum for directors not residing in India
 - Rs 2,500,000 per annum for directors residing in India
- Independent non-executive directors
 - USD 75,000 per annum for directors not residing in India
 - Rs 3,500,000 per annum for directors residing in India

- Audit Committee Chairman is entitled to an additional commission of USD 10,000 per annum if not residing in India and Rs 500,000 per annum if residing in India.

The payment of commission will be linked to the number of meetings attended by each director. In addition, the independent directors will also be entitled to a sitting fee of Rs 20,000 per board / board committee meeting.

As per statutory requirements, appropriate shareholder approval is being sought on the matter at the ensuing annual general meeting of the Company.

The details of the remuneration paid by the Company to all directors during the financial year 2009-10 are as under:

(Amount in Rs)						
Name of Director	Sitting Fees	Salary and allowances	Performance linked incentive	Perquisites	Commission	Total
Executive directors						
Sunil Bharti Mittal	-	76,705,764	157,300,000	878,700	-	234,884,464
Manoj Kohli	-	26,751,133	18,524,564	-	-	45,275,697
Non-executive directors						
Akhil Gupta	-	-	2,784,274*	-	-	2,784,274
Chua Sock Koong	-	-	-	-	-	-
Paul O'Sullivan	-	-	-	-	-	-
Quah Kung Yang	-	-	-	-	-	-
Rajan Bharti Mittal	-	-	-	-	-	-
Rakesh Bharti Mittal	-	-	-	-	-	-
Independent directors						
Ajay Lal	80,000	-	-	-	1,317,745	1,397,745
Arun Bharat Ram	60,000	-	-	-	1,329,900	1,389,900
Bashir Currimjee	70,000	-	-	-	2,233,300	2,303,300
Craig Edward Ehrlich	50,000	-	-	-	2,257,000	2,307,000
Mauro Sentinelli	70,000	-	-	-	2,135,000	2,205,000
N. Kumar	70,000	-	-	-	1,773,200	1,843,200
Nikesh Arora	20,000	-	-	-	2,237,245	2,257,245
Pulak Chandan Prasad	60,000	-	-	-	2,233,300	2,293,300
Total	480,000	103,456,897	178,608,838	878,700	15,516,690	298,941,125

* Includes PLI paid in excess of provision made for financial year 2008-09

- 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 perquisites is calculated as per the provisions of the Income Tax Act, 1961. The above payments were subject to applicable laws and deduction of tax at source
- During the year, Manoj Kohli was granted 91,400 stock options under the ESOP Scheme 2001 and ESOP Scheme 2005 as under:
 - 11,400 stock options were granted on July 1, 2009 at a discounted exercise price of Rs. 402.5 per option, which will vest over a period of 3 years in equal proportion
 - 80,000 stock options were granted on August 1, 2009 at a discounted exercise price of Rs. 5 per option with differential vesting period spread over 4 years

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

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

Code of Conduct

The Board has laid down a Code of Conduct for all directors and senior management personnel of the Company, which is also available on the website of the Company at www.airtel.in. The Code is applicable to all the board members and direct reportees of the Chairman and Managing Director, CEO (International) & Joint Managing Director and CEO (India & South Asia) at senior management levels. The Code is circulated annually to all board members and senior management and the compliance of the same is affirmed by them annually. A declaration signed by the CEO (International) & Joint Managing Director and CEO (India & South Asia) affirming compliance with the Code of Conduct by the Board and senior management is appended as Annexure B at the end of this report.

In addition, to the above referred Code of Conduct, the Company has also laid down a Code of Conduct for all the employees of the Company. All employees are expected to confirm compliance to the Code annually. Regular training programs are conducted by senior management, across locations to explain and reiterate the importance of adherence to the Code.

In compliance with the provisions of clause 49 of the listing agreement, the Company also procures a quarterly disclosure of all material financial and commercial transaction by the senior management with the Company. As per the confirmation received, none of the senior management employees had entered into any material financial commercial transactions (excluding purchase or sale of shares) with the Company that could have a potential conflict of interest.

BOARD COMMITTEES

In compliance with the listing agreement requirements (both mandatory and non-mandatory), the SEBI Regulations, and to focus effectively on the issues and ensure expeditious 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 also available on the website of the Company at www.airtel.in.

The details of the committees constituted by the Board are given below:

Audit Committee

Composition, Meeting and Attendance

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

The Company Secretary is the secretary to the Committee. The CEO (International) & Joint Managing Director, CEO (India & South Asia), Group CFO, Chief Financial Officer, Director – Internal Assurance, Corporate Director – Finance, statutory auditors and the internal auditors are permanent invitees. To ensure proper internal control at each audit committee meeting, the Committee invites the head of one of the functions to make a brief presentation on action plans to improve the level of internal control. In addition, other senior management members are also invited to the committee meetings to present reports on the respective items being discussed at the meeting from time to time.

During the financial year 2009-10 the audit committee met four times i.e. on April 29, 2009, July 22, 2009, October 29, 2009 and January 21, 2010. Time gap between any two meetings was less than four months. Meetings were generally held in New Delhi.

The audit committee has adopted a practice of holding a conference call a week before every regular audit committee meeting to discuss routine internal audit issues so that reasonable time could be devoted to major issues in the regular audit committee meeting. During the financial year the Committee met three times through the conference call i.e. April 24, 2009, October 23, 2009 and January 15, 2010.

The composition and attendance of members at the committee meetings held during the financial year 2009-10, are given below:

Member director	Number of meetings attended
N. Kumar (Chairman)	4
Ajay Lal	4
Arun Bharat Ram	3
Pulak Chandan Prasad	4
Rakesh Bharti Mittal	4
Quah Kung Yang ¹	2
Tan Yong Choo ²	1

1. Ceased to be a member of the Committee w.e.f. January 21, 2010

2. Appointed as member of the Committee w.e.f. January 21, 2010

Key Responsibilities

Key responsibilities of the audit committees are as follows:

- Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, internal auditors and the determination of their audit fees;
- Approval of payment to statutory auditors for any other services rendered by them;
- 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 repayment 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;
- Approving the appointment of Chief Financial Officer;
- Reviewing 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

The audit committee has been entrusted with the following powers:

- 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 attendance of outsiders with relevant experience and expertise, when considered necessary.

Audit Committee report for the year ended March 31, 2010

To the shareholders of Bharti Airtel Limited

The Audit Committee is pleased to present its report for the year ended March 31, 2010:

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

Management is responsible for the Company's internal controls and financial reporting processes. The statutory auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the Indian GAAP (generally accepted accounting principles) and for issuing a report thereon. US GAAP Auditors are responsible for performing independent audit of the Company's financial statements in accordance with the US GAAP. 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 Director-Internal Assurance, responsible for reviewing all the operations of the Company to evaluate the risks, internal controls and governance process. The Ombudsperson is responsible for the Whistle Blower Mechanism.

The Audit Committee oversees the work of the external auditors, internal assurance group and ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

In this regard the Committee reports as follows:

- i. The Committee has discussed with the Company's internal auditors and statutory auditors the overall scope and plan for their respective audits. The Committee also discussed the results of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.
- ii. The Management presented to the Committee, the Company's financial statements and also affirmed that the Company's financial statements had been drawn in accordance with the Indian GAAP. 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 Indian GAAP in all material aspects. The Committee also believes that the financial statements are true and accurate and provide sufficient information and the Company has followed an adequate financial reporting process.
- iii. The Committee has reviewed the financial statements, Directors Responsibility Statement including the investments made by unlisted subsidiary companies.
- iv. The Committee has 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 has reviewed the internal audit function and risk management systems of the Company from time to time.
- vi. The Committee has reviewed the report of the Ombudsperson on the functioning of the Whistle Blower mechanism and believes that the Company has effective Whistle Blower mechanism.
- vii. The Committee has reviewed with the management the 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 has reviewed with the management the performance of the Internal Auditors and has recommended to the Board the re-appointment of M/s. PricewaterhouseCoopers Private Limited as the internal auditors of the Company for the succeeding term. In addition the Committee also recommended the appointment of M/s. ANB Consulting Co. Pvt. Limited as the joint internal auditors of the Company.
- ix. The Committee has been vested with 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 Audit Committee monitored and approved all related party transactions including any modification/ amendment in any such transactions.

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

Place: New Delhi
Date: April 27, 2010

N. Kumar
Chairman, Audit Committee

HR Committee

Composition, Meeting and Attendance

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

Till April 28, 2010 i.e. the date of this report, the Committee comprises of six non-executive directors, of which four members including Bashir Currimjee, the Chairman of the Committee, are independent directors. As stated in the Board of directors' section, Bashir Currimjee and Mauro Sentinelli will cease to be the directors and thereby the members of HR Committee w.e.f. conclusion of the board meeting dated April 28, 2010. The constitution of the HR Committee will change to that extent temporarily. Craig Edward Ehrlich has been appointed as the Chairman of the HR Committee w.e.f. April 28, 2010 after retirement of Bashir Currimjee.

The Company Secretary acts as the secretary of the Committee. The Group Director - HR is a permanent invitee. Other senior management members are also invited to the committee meetings to present reports on the items being discussed at the meeting.

During the financial year 2009-10, the Committee met four times i.e. on April 29, 2009, July 22, 2009, October 29, 2009 and January 21, 2010. The composition and attendance of members at the meetings held during the period are given below:

Member director	Number of meetings attended
Craig Edward Ehrlich ¹ (Chairman)	3
Bashir Currimjee ²	4
Lim Chuan Poh ³	1
Mauro Sentinelli ⁴	4
Nikesh Arora	2
Paul O'Sullivan ⁵	3
Rajan Bharti Mittal	3

1. Appointed as Chairman of the Committee w.e.f. April 28, 2010
2. Would cease to be the Chairman and member of the Committee w.e.f. April 28, 2010
3. Appointed as member of the Committee w.e.f. January 21, 2010, attended 1 meeting through alternate director, Jeann Low Ngaiap Jong
4. Would cease to be a member of the Committee w.e.f. April 28, 2010
5. Ceased to be a member of the Committee w.e.f. January 21, 2010

Key Responsibilities

Key responsibilities of the HR committee are as follows:

Besides remuneration packages and other benefits of the executive directors, the HR committee also oversees the functions related to human resource matters 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) and performance targets for the Chairman and Managing Director, CEO (International) & Joint Managing Director;
- 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.

ESOP Compensation Committee

Composition, Meeting and Attendance

In terms of the requirement of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Company has constituted the ESOP Compensation Committee. Till April 28, 2010 i.e. the date of this report, the ESOP Compensation Committee comprises of six non-executive directors, four of whom are independent. The Chairman of the Committee is a non-executive director. As stated above in the Board of directors' section, Bashir Currimjee and Mauro Sentinelli would cease to be the directors and thereby the members of the ESOP Compensation Committee also w.e.f conclusion of the board meeting on April 28, 2010. Accordingly, the constitution of the ESOP Compensation Committee will change to that extent temporarily. The Company Secretary acts as the secretary of the Committee. Group Director HR is the permanent invitee.

During the financial year 2009-10, the Committee met four times i.e. on April 29, 2009, July 22, 2009, October 29, 2009 and January 21, 2010. The composition and the attendance of members at the meetings held during the period are given below:

Member director	Number of meetings attended
Rajan Bharti Mittal (Chairman)	3
Bashir Currimjee ¹	4
Craig Edward Ehrlich	3
Lim Chuan Poh ²	1
Mauro Sentinelli ³	4
Nikesh Arora	2
Paul O'Sullivan ⁴	3

1 Would cease to be a member of the Committee w.e.f. April 28, 2010

2 Appointed as member of the Committee w.e.f. January 21, 2010. Attended 1 meeting through alternate director Jeann Low Ngiap Jong

3 Would cease to be a member of the Committee w.e.f. April 28, 2010

4 Ceased to be a member of the Committee w.e.f. January 21, 2010

Key Responsibilities

Key responsibilities of the ESOP compensation committee are as follows:

- To formulate ESOP plans and decide on future grants;
- To formulate terms and conditions on following under the present Employee Stock Option Schemes of the Company:
 - the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
 - the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
 - the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
 - the grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;
 - any other matter, which may be relevant for administration of ESOP schemes from time to time.
- To frame suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (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.

Investors' Grievance Committee

Composition, Meeting and Attendance

In compliance with the listing agreement requirements and provisions of the Companies Act, 1956, the Company has constituted an Investor Grievance Committee, which comprises of four members, three of whom including the Chairman are non-executive directors. The Company Secretary acts as a Secretary to the Committee.

The meetings of the Committee are held as per requirement to review and ensure that all investor requests are redressed within the prescribed period.

During the financial year 2009-10, the Committee met fourteen times i.e. on April 15, 2009, April 29, 2009, June 05, 2009, July 15, 2009, July 30, 2009, September 12, 2009, October 5, 2009, October 23, 2009, November 19, 2009, December 18, 2009, January 8, 2010, January 27, 2010, February 19, 2010 and March 20, 2010. The composition and the attendance of members at the

meetings held during the financial year 2009-10 are given below;

Member director	Number of meetings attended
Akhil Gupta, (Chairman)	13
Manoj Kohli	13
Rajan Bharti Mittal	8
Rakesh Bharti Mittal	10

Key Responsibilities

Key responsibilities of the Investor Grievance committee are as follows:

- 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 related to transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc.;
- Approve, register, reject 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 or by operation of law;
- Dematerialise or rematerialise the share certificates;
- Further delegate all or any of the powers to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s).

The Board is sufficiently satisfied that the Investor Grievance committee has complied with the responsibilities as outlined in the Investor Grievance Committee's Charter in dealing with investor grievances and its share transfer systems.

Compliance Officer

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

Nature of complaints and redressal status

During the financial year 2009-10, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares and annual reports, etc. which were resolved to the satisfaction of the respective shareholders.

Details of the investors' complaints as on March 31, 2010 are as follows:

Type of complaint	Number	Redressed	Pending
Non-receipt of securities	50	50	Nil
Non-receipt of annual report	12	12	Nil
Non-receipt of dividend/ dividend warrants	47	47	Nil
Total	109	109	Nil

The above table does not include the responses furnished by the Company on clarifications sought by stock exchanges from time to time on various markets related matters.

The Company has dedicated e-mail ID, compliance.officer@bharti.in exclusively for the purpose of registering investors complaint.

Other Committees

In addition to the above committees, the Company also has a functional committee known as the Committee of Directors. The Committee comprises of four directors, three of whom including the Chairman are non-executive directors. This Committee has been constituted to cater to the various day-to-day requirements and to facilitate the seamless operations of the Company. The Committee meets generally on a monthly basis. The Committee may also meet additionally, if so required. Constitution of this committee has been duly approved by the Board.

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. N. Kumar, independent non-executive director has been appointed 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 were held as under:

Financial Year	Location	Date	Time
2008-09	Air Force Auditorium, Subroto Park, New Delhi	August 21, 2009	1530 Hrs. (IST)
2007-08	Air Force Auditorium, Subroto Park, New Delhi	August 01, 2008	1530 Hrs. (IST)
2006-07	Air Force Auditorium, Subroto Park, New Delhi	July 19, 2007	1530 Hrs. (IST)

Special resolutions passed at the last three AGMs

No special resolutions were passed in the AGMs held on August 21, 2009, August 1, 2008 and July 19, 2007.

Postal ballot and postal ballot process

During the previous year, we have passed one ordinary resolution and two special resolutions through postal ballot. Detailed procedure followed by the Company is provided hereunder:

Person conducting the postal ballot exercise

Manoj Kohli, CEO (International) & Joint Managing Director and Vijaya Sampath, Group General Counsel & Company Secretary were appointed as persons responsible for the postal ballot voting process. Dr. S. Chandrasekaran of Chandrasekaran Associates, Company Secretaries was appointed as scrutiniser for the postal ballot voting process. Dr. Chandrasekaran, Practicing Company Secretary conducted the process and submitted his report to the Company.

Procedure followed

- (i) The Company issued the postal ballot notice dated April 29, 2009 for:
 - Sub-division of shares and amendment in the Memorandum of Association (Ordinary Resolution);
 - Amendment in Articles of Association (Special Resolution);
 - Payment of Commission to Independent Non-executive Directors (Special Resolution).
- (ii) The draft resolutions together with the explanatory statements and the postal ballot forms and self-addressed envelopes were sent to the members and others concerned under certificate of posting;
- (iii) Members were advised to read carefully the instructions printed on the postal ballot form and return the duly completed form in the attached self-addressed envelope so as to reach the scrutinizer on or before the close of business hours on Tuesday, July 07, 2009;
- (iv) After due scrutiny of all the postal ballot forms received up to the close of the working hours on Tuesday, July 07, 2009, Dr. S. Chandrasekaran, Practicing Company Secretary (the Scrutiniser) submitted his final report on Friday, July 10, 2009 before the close of business hours;
- (v) The results of the postal ballot were declared on Saturday, July 11, 2009. The date of declaration of the results of the postal ballot was taken as the date of passing of the resolutions.
- (vi) The results of the postal ballot were published in the newspapers within 48 hours of the declaration of the results and were also placed at the website of the Company at www.airtel.in.

Details of voting pattern

After scrutinising all the ballot forms received, the scrutiniser reported as under:

Date of declaration of results	Particulars of the resolutions passed	Total valid votes	In favour (%)	Against (%)
July 11, 2009	Ordinary Resolution for sub-division of shares and amendment in the Memorandum of Association	1,481,663,725	1,481,655,635 (99.9995%)	8,090 (0.0005%)
July 11, 2009	Special Resolution for amendment in Articles of Association	1,442,845,284	1,442,669,699 (99.9878%)	175,585 (0.0122%)
July 11, 2009	Special Resolution for payment of commission to independent non-executive directors	1,481,632,787	1,481,567,250 (99.9956%)	65,537 (0.0044%)

DISCLOSURES

Disclosure on materially significant related party transactions

The Board has constituted a committee of independent directors to review in detail, any non-recurring related party transactions above Rs. 10 crores that are not in the normal course of business. After evaluation, the Committee presents its findings and inputs to the audit committee to enable it to form an opinion on the same and make appropriate final recommendations to the Board.

Statements/disclosures of all related party transactions are placed before the Audit Committee as well as to the Board of directors, on a quarterly basis in terms of clause 49(IV)(A) and other applicable laws.

Company's major related party transactions are generally with its subsidiaries and associates. Related party transactions entered into by the Company are justified by various business exigencies such as synergy in operations, sectoral specialization, liquidity and capital resource of subsidiary and associates.

During the financial year 2009-10, there were no material transactions with related parties or others, which were not on arms' length basis.

The related party transactions have been disclosed under Note 23 of Schedule 22 forming part of the Annual Accounts. Except the transactions disclosed under the note there are no other significant related party transaction between the Company and the related parties.

Disclosure on Risk Management

In compliance with clause 49 of the listing agreement, the Company has established an enterprise wide risk management ("ERM") framework to optimally identify and manage risks as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach for evaluating and managing risks. The output of the risk assessment also forms

the basis of the Company's Annual Internal Audit program.

The Board is informed about the key risks and their minimisation procedures. 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 the Company and no penalties and/or strictures have been imposed on it by stock exchanges or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

CEO and CFO Certification

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

Compliance with the mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with all the mandatory requirements of the code of corporate governance as stipulated under the listing agreement. The Company has also obtained a certificate affirming the compliances from 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

The Company has adopted the following non-mandatory requirements of clause 49 of the listing agreement:

- **Remuneration committee**

The Company has a 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 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 results are disseminated to the media by way of press release.

Appropriate management explanations to the auditors' observations made in their report have been provided in the Directors' Report.

In addition, on the day of announcement of quarterly results, an earnings call is organised where the investors/analysts interact with the management and the management respond to the queries of the investors/analysts and the transcripts are posted on the website.

- **Ombudsperson Policy**

The Company has adopted an Ombudsperson Policy (includes Whistle Blower Policy), which outlines the methods and processes for stakeholders to voice genuine concerns about unethical conduct that may be in breach of the Code of Conduct for employees. The policy aims to ensure that genuine complainants can raise their concerns in full confidence without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised and undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit Committee. No employee of the Company has been denied access to Ombudsperson or Audit Committee.

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 Associations

The updated Memorandum and Articles of Association of the Company is uploaded on the website of the Company in the Investor Relations section.

Compliance with the Corporate Governance Voluntary Guidelines 2009

With an objective of encouraging 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 is substantially in compliance with the Corporate Governance Voluntary Guidelines 2009 and is in the process of adopting and implementing other practices as suggested in the Guidelines.

Status of maiden Dividend declared last year

In August 2009, the Company declared its maiden dividend at the rate of Rs 2 per equity share of Rs 10 each. The total dividend payout amounted to Rs 4,442 mn including Rs 645 mn as tax on dividend, out of which Rs 3790.06 mn have been paid to the shareholders. As on March 31, 2010 only Rs 0.74 mn represented by 9,793 dividend warrants and Rs 6.04 mn represented by 20 demand drafts remains unpaid. The shareholders who have not claimed their dividend as on March 31, 2010 are requested to write to the Company or its Registrars and 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 the Company's website. At the end of each quarter, the Company organises an earnings call with analysts and investors, which is also broadcast live and the transcript is also posted on the website soon after. Any specific presentation made to the analysts/others is also posted on the website.

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

Adoption of International Financial Reporting Standards

In addition to the preparation of the financial statements as per I GAAP, so far the Company has been voluntarily preparing consolidated financial statements as per US GAAP, which are audited by Ernst & Young, Global Accountants and are also uploaded on the website of the Company, www.airtel.in in investor relations section.

In line with India's strategy to adopt the universal accounting standards recently, the Ministry of Corporate Affairs, Government of India has issued a detailed road map for convergence of the I GAAP with IFRS. As per the road map approved by the Ministry of Corporate Affairs, Bharti Airtel will be required to adopt the IFRS by April 1, 2011. To facilitate the corporates to migrate to IFRS, the Stock Exchanges have also amended the listing agreement enabling the Companies to adopt IFRS for publication of the quarterly results. In line with the philosophy of the Government, the Company has decided to migrate from US GAAP accounting to the IFRS Accounting and will endeavour to publish its quarterly results and other financial statements as may be required in IFRS from first quarter of 2010 onwards.

Upon adoption of the IFRS, the Company will discontinue the preparation of financial accounts as per US GAAP.

GENERAL SHAREHOLDERS' INFORMATION

15th Annual General Meeting

Date	: September 1, 2010
Day	: Wednesday
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, 2010	: Wednesday, August 11, 2010
September 30, 2010	: Wednesday, November 10, 2010
December 31, 2010	: Wednesday, February 2, 2011
March 31, 2011	: Thursday, May 5, 2011

Book Closure : Saturday, August 21, 2010 -
Wednesday, September 1, 2010
(Both days inclusive)

Dividend : Re 1/- per share of Rs 5 each
(i.e. 20% on the face value of
the shares)

Dividend pay-out date : On or after September 1, 2010
(within the statutory time
limit of 30 days i.e up to September
30, 2010), subject to the approval of
the shareholders

Plant Locations : Being a service provider company,
Bharti Airtel has no plant locations.
However, Circle Office addresses of
the Company are provided at the end
of the Annual Report.

Equity shares listing, stock code and listing fee payment

Name and address of the stock exchange	Scrip code	Status of fee paid
National Stock Exchange of India Limited 'Exchange Plaza', Bandra Kurla Complex, Bandra (E), Mumbai – 400001	BHARTIARTL	Paid as applicable
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	532454	Paid as applicable

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

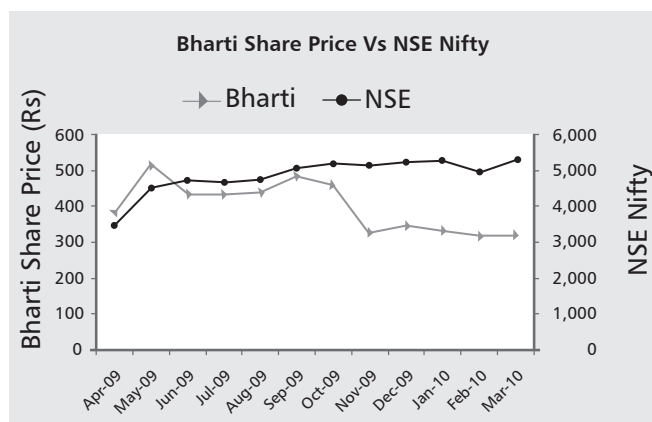
Stock market data for the period April 1, 2009 to March 31, 2010

Share price performance in comparison with NSE Nifty and BSE Sensex

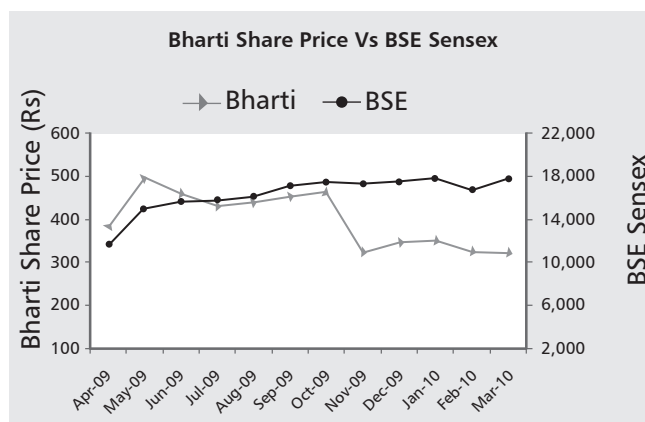
Month	NSE			BSE		
	High (Rs)	Low (Rs)	Volume (Nos)	High (Rs)	Low (Rs)	Volume (Nos)
Pre Sub-division of Shares						
Apr-09	752.75	614.85	84,539,150	749.30	615.05	9,137,666
May-09	1003.20	748.65	138,847,858	937.60	747.65	18,007,215
Jun-09	854.40	786.40	86,163,296	854.60	786.35	16,790,229
Jul-09	849.05	766.35	51,029,857	849.05	766.20	7,818,660
Post Sub-division of Shares						
Jul-09	429.55	410.10	42,645,984	427.55	410.55	4,131,412
Aug-09	435.20	373.00	148,934,868	434.80	374.15	26,789,794
Sep-09	442.95	404.95	144,749,501	442.60	405.35	22,589,104
Oct-09	435.10	292.85	467,740,211	435.35	292.15	88,166,197
Nov-09	320.05	275.25	212,102,425	319.90	275.80	41,623,030
Dec-09	342.40	304.55	163,726,346	342.35	304.20	34,138,856
Jan-10	331.50	306.40	94,948,927	330.90	306.50	16,465,190
Feb-10	315.30	271.60	162,138,627	315.30	272.45	30,171,271
Mar-10	316.35	288.00	110,362,089	316.30	288.15	20,854,297

Note: During the month of July 2009, the Company had sub-divided its 1 equity share of Rs 10 each into 2 equity share of Rs 5 each. Data for July 2009 has been re-adjusted accordingly

Source: www.nseindia.com



Source: www.bseindia.com



Note: Pursuant to the sub-division of the Company's shares, the share prices for the financial year have been re-adjusted appropriately for the graphical presentation

Share Transfer System

99.86% of the equity shares of the Company are held in dematerialised form. Transfer of these shares is done through the depositories without any involvement of the Company.

Transfers of shares in physical form are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted to the Company for approval thereafter. The authorised officials of

the Company approve the transfer and the duly transferred shares are returned to the shareholders.

The Company obtains a certificate from a practicing company secretary on half-yearly basis to the effect that all the transfers are completed in the statutorily stipulated period. In compliance with clause 47(c) of the listing agreements, a copy of the certificates 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, 2010

Sl. No.	Category	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	461216	97.61%	46615807	1.23%
2	5001 – 10000	5742	1.22%	8615761	0.23%
3	10001 – 20000	2463	0.52%	7141472	0.19%
4	20001 – 30000	799	0.17%	3976000	0.10%
5	30001 – 40000	408	0.09%	2883750	0.07%
6	40001 – 50000	289	0.06%	2661401	0.07%
7	50001 – 100000	471	0.10%	6799227	0.18%
8	100001 – above	1110	0.23%	3718836678	97.93%
Total		472498	100%	3,797,530,096	100%

By category of holders as on March 31, 2010

Sl. No.	Category	No. of shares	% of holding
I	Promoter and promoter group		
(i)	Indian promoters	1725513056	45.44%
(ii)	Foreign promoters	850280286	22.39%
	Total promoters shareholding	2575793342	67.83%
II	Public shareholding		
(A)	Institutional investors		
(i)	Mutual Funds and Unit Trust of India	113065402	2.98%
(ii)	Financial institutions and Banks	7140138	0.19%
(iii)	Insurance companies	180764430	4.76%
(iv)	Foreign Institutional Investors	684578088	18.03%
(B)	Others		
(i)	Bodies Corporate (Indian)	132490520	3.49%
(ii)	Bodies Corporate (foreign)	5082710	0.13%
(iii)	Trusts	3317543	0.09%
(iv)	NRIs/ OCBs / Foreign Nationals	10550686	0.27%
(v)	Indian Public & Others	84747237	2.23%
	Total Public Shareholding	1221736754	32.17%
	Total Shareholding	3797530096	100%

Dematerialisation of shares and liquidity

The Company's shares are compulsorily tradable in dematerialised form through the two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants registered with these depositories. As on March 31, 2010 over 99.86% shares of the Company were held in dematerialised form.

ISIN for the Company's shares is INE 397D01024.

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

Outstanding GDRs/ADRs/warrants/options

During the financial year 2004-05, the Company issued USD 115,000,000 zero coupon convertible bonds ("Bonds"), due in 2009. The Bonds were convertible at any time after June 12, 2004 up to April 12, 2009 by the holders into fully paid equity shares of Rs 10 per share, at an initial conversion price of Rs 233.17 per share. As updated in the last Corporate Governance Report, in April 2009, out of the total outstanding FCCBs (Foreign Currency Convertible Bonds) of USD 400,000 as on March 31, 2009, the Company had

received a notice for conversion of FCCBs of USD 350,000 into 65,385 equity shares which were given effect to. The balance FCCB's worth USD 50,000 have been redeemed at 111.84% of their principal amount. As on March 31, 2010, the Company did not have any outstanding FCCBs for conversion.

Communication addresses:

For corporate governance and other secretarial related matters

Vijaya Sampath
Group General Counsel and Company Secretary
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi 110 070
Email: compliance.officer@bharti.in

For queries relating to Investor Relations

Harjeet Kohli
Group Treasurer
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi 110 070
Email: ir@bharti.in

For Corporate Communication related matters

Senjam Raj Sekhar
Head-Group Corporate Communications
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi 110 070
Email: corporate.communication@bharti.in

Registrar & Transfer Agent

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittalrao Nagar
Madhapur
Hyderabad 500 081
Ph No. +91 40 23420815-821
Fax No. +91 40 23420814
E-mail id: einward.ris@karvy.com
Website: www.karvy.com
Toll Free No. 1-800-3454001

Annexures

Annexure - A

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

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

- (a) We have reviewed the financial statements and cash flow statements for the year ended March 31, 2010 and:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee,

deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the auditors and the audit committee:
 - (i) Significant changes in the internal control over financial reporting during the year;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Manoj Kohli
CEO (International) &
Joint Managing Director

Sanjay Kapoor
CEO (India &
South Asia)

Srikanth Balachander
Chief Financial Officer

Place: New Delhi
Date: April 27, 2010

Annexure - B

Declaration

We 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, 2010.

For Bharti Airtel Limited

Manoj Kohli
CEO (International) & Joint Managing Director

Place: New Delhi
Date: April 27, 2010

For Bharti Airtel Limited

Sanjay Kapoor
CEO (India & South Asia)

Secretarial audit report

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

We have examined the registers, records and documents of Bharti Airtel Limited (the Company) for the financial year ended March 31, 2010 in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Rules made thereunder and the bye-laws of the Depositories who have been given the requisite Certificates of Registration under the Securities and Exchange Board of India Act, 1992;
- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder including:
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1999; and
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999.
- The listing agreement with the National Stock Exchange 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 detailed above and the Rules, Regulations and Guidelines made thereunder, listing agreement 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. Filing with the Registrar of Companies the Forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of directors.
5. Remuneration of executive and independent directors.
6. Obtaining the necessary approvals for various acts of the Company.

7. Service of notice and agenda of board meetings and meetings of the committee of directors.
8. Meeting of the Board and its committees.
9. Holding annual general meeting and production of the various registers thereat.
10. Recording the minutes of proceedings of board meetings, committee meetings, annual general meeting and of the postal ballot.
11. Appointment, change in the appointment and remuneration of Auditors.
12. Registration of transfer of shares held in physical mode.
13. Dematerialisation and rematerialisation of shares.
14. Investment of company's funds.
15. Execution of contracts, affixation of common seal, registered office and the name of the Company.
16. Conferment of options and allotment of shares under the Employee Stock Option Scheme of the Company.
17. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997.
18. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations) 1999
19. Requirements set out in the listing agreement with the aforementioned stock exchanges.

B We further report that-

- (i) the directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in pursuing its normal business, and
- (ii) there was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the Company under the aforementioned Acts, Rules, Regulations and guidelines made thereunder or on its directors and officers.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S Chandrasekaran
Senior Partner

Place: New Delhi
Date: April 17, 2010

FCS: 1644
CP : 715

Standalone Financial Statements with Auditors' Report

Auditors' Report to The Members of Bharti Airtel Limited

1. We have audited the attached Balance Sheet of Bharti Airtel Limited ('Bharti Airtel' or 'the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

per Prashant Singhal
Partner
Membership No.93283

Place: Gurgaon
Date: April 28, 2010

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

Re: BHARTI AIRTEL LIMITED ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation with respect to most of its fixed assets and is in the process of updating quantitative and situation details with respect to certain fixed assets i.e. office equipments, in the records maintained by the Company.
- (b) The capitalized fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the programme, a portion of fixed assets and capital work in progress at warehouses has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (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, clauses (iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are 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) According to the information and explanations provided by the management, there are no transactions pursuant to the contracts or arrangements referred to in section 301 that are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess and other material statutory dues applicable to it. The provisions relating to excise duty is not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A 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 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 Rs '000)	Period to Which it Relates	Forum where the dipute is pending
Andhra Pradesh Value Added Tax Act	Sales Tax	3,063,609	2000-02; 2005-08	High Court of Andhra Pradesh
Gujarat Sales Tax Act	Sales Tax	928	2006-07	Commissioner (Appeals)
West Bengal Sales Tax Act	Sales Tax	402	1996-97	DCCT- Appellate Stage
West Bengal Sales Tax Act	Sales Tax	14	1997-98	DC Appeals
West Bengal Sales Tax Act	Sales Tax	280	1995-96	The Commercial Tax Officer
West Bengal Sales Tax Act	Sales Tax	48,268	2004-05	West Bengal Taxation Tribunal
West Bengal Sales Tax Act	Sales Tax	324,846	2005-06	DCCT Appeal
UP VAT Act	Sales Tax	15,356	2003-10	Assessing Officer
UP VAT Act	Sales Tax	500	2003-04	Joint Commissioner Appeals
UP VAT Act	Sales Tax	20,290	2003-04; 2005-07; 2009-10	Joint Commissioner Appeals
UP VAT Act	Sales Tax	7,600	2006-07	High Court of Judicature at Allahabad, Lucknow Bench
UP VAT Act	Sales Tax	33	2008-09	Assistant Commissioner of Sales tax
UP VAT Act	Sales Tax	170	2006-07	Commercial Taxes Tribunal
Haryana Sales Tax Act	Sales Tax	2,797	2002-2004	Joint Commissioner
Punjab Sales Tax Act	Sales Tax	611	2001-02	Jt. Director (Enforcement)
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	21,720	1997-01; 2003-05	Deputy Commissioner Appeals
UP VAT Act	Sales Tax	1,125	2002-05	Assistant Commissioner
Karnataka Sales Tax Act	Sales Tax	290,920	2005-06	Tribunal
Kerela Sales Tax Act	Sales Tax	541	2009-10	Intelligence Officer Squad No. V, Palakkad
Bihar Value Added Sales Tax Act	Sales Tax	11,330	2005-07	Asst. Commissioner
Delhi Value Added Tax Act	Sales Tax	12,755	2005-06	Sales Tax Department
J&K General Sales Tax	Sales Tax	18,434	2004-05	High Court
Karnataka Sales Tax Act	Sales Tax	153	2005-06	High Court
Tamil Nadu Sales Tax Act	Sales Tax	634,279	1996-2001	Commercial Tax Officer
Sub Total (A)		4,476,961		
Finance Act, 1994 (Service tax provisions)	Service Tax	1,419,854	1997-2009	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	46,844	1999-00; 2002-07	Commissioner (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	445	2004-06	Deputy Commissioner Appeals
Finance Act, 1994 (Service tax provisions)	Service Tax	231,020	2000-01; 2005-08	Suppdt. Of Central Excise, Mohali
Finance Act, 1994 (Service tax provisions)	Service Tax	19,773	2004-07	Commissioner of Excise
Finance Act, 1994 (Service tax provisions)	Service Tax	334,519	2004-08	Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	5,564	2002-03	Deputy Commissioner of Service Tax (Appeals)
Finance Act, 1994 (Service tax provisions)	Service Tax	966	1995-96	Additional Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	1,166	2004-05	Assistant Commissioner of Service Tax
Finance Act, 1994 (Service tax provisions)	Service Tax	3,657	2007-08	Joint Commissioner of Service Tax
Sub Total (B)		2,063,807		

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs '000)	Period to Which it Relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,987,175	2001-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5,950	2002-04	High Court
		6,420	1997-98	Assessing Officer
Income Tax Act, 1961	Income Tax	3,622,088	2005-06	Dispute Resolution Panel
Income Tax Act, 1961	Income Tax	102,786	2001-05; 2006-07	Income Tax Appellate Tribunal
Sub Total (C)		5,724,420		
Customs Act-1962	Custom Act	2,167,154	2001-04; 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Customs Act-1962	Custom Act	31,194	2005-06	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Sub Total (D)		2,198,348		

Of the above cases, total amount deposited in respect of Sales Tax is Rs 914,162 thousand, Service Tax is Rs 5,484 thousand, Income Tax is Rs 847,803 thousand and Custom Duty is Rs 57,725 thousand.

- (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 years.
- (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 Rs 6,449,385 thousand raised on short-term basis (primarily represented by capital creditors) have been used for long-term investment (primarily represented by fixed assets).
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has created security or charge in respect of debentures outstanding at the year end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit *except few cases of fraud by employees estimated at Rs 115,105 thousand and by external parties Rs 20,255 thousand* detected by the management for which appropriate steps were taken to strengthen controls and Rs 12,519 thousand out of the 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: Gurgaon
Date: April 28, 2010

Balance Sheet as at March 31, 2010

(Rs '000)

Particulars	Schedule No.	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	18,987,650	18,982,398
Share Application Money Pending Allotment		-	2,933
Employee Stock Options Outstanding	2,838,650	1,983,331	
Less: Deferred Stock Compensation (Refer Note 21 on Schedule 21 and Note 27 on Schedule 22)	977,748	1,860,902	824,092
Reserves and Surplus	2	346,523,215	256,295,074
Loan Funds			
Secured Loans	3	394,296	517,304
Unsecured Loans	4	49,994,936	76,619,167
Deferred Tax Liability (Net) (Refer Note 13 on Schedule 21 and Note 26 on Schedule 22)		32,543	-
Total		417,793,542	353,576,115
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	442,125,275	372,667,023
Less: Accumulated Depreciation / Amortisation		161,875,635	122,533,438
Net Block		280,249,640	250,133,585
Capital Work in Progress (including Capital Advances)		15,947,360	25,666,693
		296,197,000	275,800,278
Investments	6	157,733,191	117,777,582
Deferred Tax Asset (Net) (Refer Note 13 on Schedule 21 and Note 26 on Schedule 22)		-	3,271,103
Current Assets, Loans and Advances			
Inventory	7	272,443	621,510
Sundry Debtors	8	21,049,770	25,500,488
Cash and Bank Balances	9	8,167,415	22,516,027
Other Current Assets	10	663,743	1,197,127
Loans and Advances	11	62,097,457	44,414,947
		92,250,828	94,250,099
Less: Current Liabilities and Provisions	12		
Current Liabilities		121,799,933	131,179,816
Provisions		6,587,544	6,344,004
		128,387,477	137,523,820
Net Current Assets		(36,136,649)	(43,273,721)
Miscellaneous Expenditure (To the extent not written off or adjusted)	13	-	873
Total		417,793,542	353,576,115
Statement of Significant Accounting Policies	21		
Notes to the Financial Statements	22		

As per our report of even date

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

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

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman and Managing Director

Manoj Kohli
CEO (International) &
Joint Managing Director

Place : New Delhi
Date: April 28, 2010

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel &
Company Secretary

Srikanth Balachander
Chief Financial Officer

Profit and Loss Account for the year ended March 31, 2010

(Rs '000)

Particulars	Schedule No.	For the year ended March 31, 2010	For the year ended March 31, 2009
INCOME			
Service Revenue		355,861,220	339,995,752
Sale of Goods		234,187	147,150
		356,095,407	340,142,902
EXPENDITURE			
Access Charges		44,356,838	52,034,149
Network Operating	14	74,467,226	63,268,921
Cost of Goods Sold	15	203,225	124,051
Personnel	16	14,371,323	14,336,407
Sales and Marketing	17	24,049,062	21,763,991
Administrative and Other	18	22,401,476	20,875,328
Total Expenditure		179,849,150	172,402,847
Profit before Licence Fee, Other Income, Finance Expense (Net), Depreciation, Amortisation, Charity and Donation and Taxation		176,246,257	167,740,055
Licence fee & Spectrum charges (revenue share)		37,548,702	35,821,761
Profit before Other Income, Finance Expense (Net), Depreciation, Amortisation, Charity and Donation and Taxation		138,697,555	131,918,294
Other Income	19	897,295	1,407,368
Finance Expense (net)	20	(8,556,474)	17,639,842
Depreciation		38,900,775	32,062,839
Amortisation		2,078,437	1,788,151
Charity and Donation [Rs 30,000 thousand (March 31, 2009 Rs Nil) paid to Satya Electoral Trust for political purposes]		179,626	219,463
Profit before Tax		106,992,486	81,615,367
MAT credit		(10,385,866)	(1,396,304)
[Includes Rs 703,806 thousands for earlier year (March 31, 2009 Rs 1,093,362 thousand)]			
Tax Expense			
- Current Tax		19,813,159	9,173,614
[Includes Rs 952,230 thousands for earlier year (March 31, 2009 Rs Nil)]			
- Deferred Tax		3,303,646	(3,959,059)
(Refer Note 13 on Schedule 21 and Note 26 on Schedule 22)			
- Fringe Benefit Tax		-	358,731
Profit after Tax		94,261,547	77,438,385
Transferred from Debenture Redemption Reserve		38,160	4,411
Transferred to General Reserve		7,100,000	6,000,000
Dividend Proposed		3,797,530	3,796,480
Dividend Paid		362	-
Tax on Dividend Proposed / Paid		645,452	645,212
Profit after Appropriation		82,756,363	67,001,104
Profit brought forward		185,028,290	117,972,158
(Refer Schedule 2)			
Profit carried to Balance Sheet		267,784,653	184,973,262
Earnings per share (in Rs) - Basic		24.83	20.40
Earnings per share (in Rs) - Diluted		24.82	20.39
(Refer Note 18 on Schedule 21 and Note 28 on Schedule 22)			
Nominal value of share (in Rs)		5	5
Statement of Significant Accounting Policies	21		
Notes to the Financial Statements	22		

As per our report of even date

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

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

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

per Prashant Singhal
 Partner
 Membership No: 93283

Sunil Bharti Mittal
Chairman and Managing Director

Manoj Kohli
CEO (International) &
Joint Managing Director

Place : New Delhi
 Date: April 28, 2010

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel &
Company Secretary

Srikanth Balachander
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2010

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
A. Cash flow from operating activities:		
Net profit before tax	106,992,486	81,615,367
Adjustments for:		
Depreciation	38,900,775	32,062,839
Interest Expense and other finance charges	2,744,835	4,275,619
Interest Income	(1,037,032)	(1,489,138)
(Profit)/Loss on Sale of Assets (Net)	170,856	(38,899)
(Profit)/Loss on sale of Investments	(1,839,461)	(2,354,840)
Amortisation of ESOP Expenditure	934,185	648,318
Lease Equalisation / FCCB Premium	2,768,003	2,146,723
Provision for Deferred Bonus / Long Term Service Award	158,828	462,578
Licence fee Amortisation	1,144,252	1,141,184
Debts / Advances Written off	718,460	756,695
Provision for Bad and Doubtful Debts/Advances (Net of write back)	2,267,530	2,684,358
Liabilities / Provisions no longer required written back	(444,478)	(497,718)
Provision for Gratuity and Leave Encashment	198,081	214,860
Provision for Inventory for obsolete/ Damaged stock	672,131	228,944
Unrealized Foreign Exchange (gain) /loss	(8,601,497)	15,163,507
Loss/(Gain) from swap arrangements	87,713	65,433
Provision for Wealth Tax	496	540
Operating profit before working capital changes	145,836,163	137,086,370
Adjustments for changes in working capital:		
- (Increase)/Decrease in Sundry Debtors	1,581,333	(1,468,398)
- (Increase)/Decrease in Other Receivables	(4,318,434)	(5,425,128)
- (Increase)/Decrease in Inventory	157,982	(281,847)
- Increase/(Decrease) in Trade and Other Payables	3,389,803	4,298,401
Cash generated from operations	146,646,847	134,209,398
Taxes (Paid) / Received	(19,720,501)	(10,311,097)
Net cash from operating activities	126,926,346	123,898,301
B. Cash flow from investing activities:		
Adjustments for changes in:		
Purchase of fixed assets	(72,552,618)	(92,108,430)
Proceeds from Sale of fixed assets	357,462	1,940,680
Proceeds from Sale of Investments	291,901,466	273,605,929
Purchase of Investments	(315,708,823)	(279,523,969)
Interest Received	1,193,411	1,300,902
Net movement in advances given to Subsidiary Companies	(6,763,816)	(4,728,979)
Purchase of Fixed Deposits (with maturity more than three months)	(17,436,582)	(14,915,238)
Proceeds from Maturity of Fixed Deposits (with maturity more than three months)	27,301,700	300,027
Acquisition/ Subscription/Investment in Subsidiaries/ Associate / Joint Venture	(14,308,791)	(181,518)
Net cash used in investing activities	(106,016,591)	(114,310,596)

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
C. Cash flow from financing activities:		
Issue of Shares under ESOP Scheme (including share application)	164,489	176,060
Proceeds from long term borrowings		
Receipts	7,180,930	13,454,721
Payments	(25,416,927)	(15,288,260)
Proceeds from short term borrowings		
Net movement in cash credit facilities and short term loans	495,801	(916,551)
Dividend Paid	(3,796,101)	-
Tax on dividend paid	(645,274)	(4,168,114)
Interest Paid	(3,314,254)	-
Gain /(Loss) from swap arrangements	(61,913)	22,156
Net cash used in financing activities	(25,393,249)	(6,719,988)
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,483,494)	2,867,717
Opening Cash and Cash Equivalents	7,898,804	5,027,378
Cash and Cash Equivalents acquired on amalgamation	-	3,709
Cash and Cash Equivalents as at year end	3,415,310	7,898,804
Cash and Cash Equivalents comprise:		
Cash and Cheques on hand	294,905	445,518
Balance with Scheduled Banks	7,872,510	22,070,509
Cash & Bank Balances as per schedule 9	8,167,415	22,516,027
Less: Fixed deposits not considered as cash equivalents	4,752,105	14,617,223
Cash & Cash Equivalents in Cash Flow Statement	3,415,310	7,898,804

Notes :

- Figures in brackets indicate cash out flow.
- 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).
- Cash and cash equivalents includes Rs 15,563 thousands pledged with various authorities (March 31, 2009- Rs 18,177 thousands) which are not available for use by the Company. Cash and cash equivalents also includes Rs 739 thousand as unpaid dividend.
- During the year, the Company has acquired stake in following subsidiary/ joint venture :
 - Acquired 26% stake in Alcatel-Lucent Network Management Services India Limited for a consideration of Rs 90,000 thousand.
 - Acquired additional 55% stake in Bharti Telemedia Limited for a consideration of Rs 73,795 thousand.
 - Investment of Rs 14,141,667 thousand in Bharti Airtel Holding (Singapore) Pte Limited for acquisition of 70% stake in Warid Telecom International Limited.
 - Acquired 1.48% stake in Bharti International (Singapore) Pte. Ltd at a consideration of Rs 137 thousand.
 - Acquired 1.10% stake in Bharti Airtel International (Netherlands) B.V. at a consideration of Rs 12 thousand (Previous year acquisition of equity in Bharti Hexacom Limited at a purchase consideration of Rs 166,818 thousand).
- Advances given to Subsidiary Companies have been reported on net basis.
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date

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

per Prashant Singhal
 Partner
 Membership No: 93283

Place : New Delhi
 Date: April 28, 2010

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

Sunil Bharti Mittal
 Chairman and Managing Director

Manoj Kohli
 CEO (International) &
 Joint Managing Director

Sanjay Kapoor
 CEO (India & South Asia)

Vijaya Sampath
 Group General Counsel &
 Company Secretary

Srikanth Balachander
 Chief Financial Officer

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 1		
SHARE CAPITAL		
Authorised		
5,000,000,000 (March 31,2009 - 2,500,000,000 of Rs 10 each) Equity shares of Rs 5 each	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Paid up		
3,797,530,096 of Rs 5 each fully paid up (March 31,2009- 1,898,239,796 Equity Shares of Rs 10 each) (Refer notes below)	<u>18,987,650</u> <u>18,987,650</u>	<u>18,982,398</u> <u>18,982,398</u>
Notes:		
(a) 49,999,000 and 1,516,390,970 equity shares of Rs 10 each issued as fully paid-up bonus shares on February 24, 1997 and September 30, 2001 respectively out of Share Premium account		
(b) 21,474,527 Equity Shares of Rs 10 each (March 31,2009-21,409,142) shares are allotted as fully paid up upon the conversion of Foreign Currency Convertible Bonds (FCCBs) (Refer Note 8 on Schedule 22)		
(c) 2,722,125 Equity Shares of Rs 10 each (March 31,2009-2,722,125) shares are allotted as fully paid up under the Scheme of amalgamation without payments being received in cash		
(d) For Stock options outstanding details refer Note 21 on Schedule 21 and Note 27 on Schedule 22		
SCHEDULE : 2		
RESERVES AND SURPLUS		
Securities Premium		
Opening balance	40,146,841	39,889,844
Additions during the year	385,669	256,997
	<u>40,532,510</u>	<u>40,146,841</u>
Revaluation Reserve	21,284	21,284
Capital Reserve	51,083	51,083
Reserve for Business Restructuring		
Opening balance	24,912,029	24,785,198
Additions during the year	-	126,831
	<u>24,912,029</u>	<u>24,912,029</u>
Debenture Redemption Reserve		
Opening balance	135,547	139,958
Transferred to Profit and Loss Account during the year	(38,160)	(4,411)
	<u>97,387</u>	<u>135,547</u>
General Reserve		
Opening balance	6,000,000	6,000,000
Add : Adjustment on account of forfeiture of ESOP	24,269	-
Add: Transferred from Profit and Loss account	7,100,000	-
	<u>13,124,269</u>	<u>6,000,000</u>
Profit and Loss Account		
Balance as per Profit and Loss Account	267,784,653	184,973,262
Acquired under the scheme of Amalgamation	-	55,028
	<u>267,784,653</u>	<u>185,028,290</u>
	<u>346,523,215</u>	<u>256,295,074</u>

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 3		
SECURED LOANS		
(Refer Note 13 on Schedule 22)		
Debentures	375,000	500,000
Others Loans and Advances		
- Vehicle Loans	19,296	17,304
	<u>394,296</u>	<u>517,304</u>
Note : Amount repayable within one year	259,294	134,976
SCHEDULE : 4		
UNSECURED LOANS		
Short Term Loans and Advances		
From Banks	6,722,331	6,243,768
Other Loans and Advances		
From Banks	16,856,129	36,901,853
From Others	26,416,476	33,473,546
	<u>49,994,936</u>	<u>76,619,167</u>
Note : Amount repayable within one year	13,562,589	25,123,211

Schedules Annexed to and forming part of Financial Statements

SCHEDULE 5 : FIXED ASSETS

(Refer Notes 3, 4, 15, 16 on Schedule 21 and Note, 21, 24 & 25 on Schedule 22)

Particulars	Gross Block Value			Depreciation / Amortisation			Net Block Value		(Rs '000)	
	As at April 01, 2009	Additions during the year	Sale / Adjustment during the year	As at March 31, 2010	As at April 01, 2009	For the year	Sale / Adjustment during the year	As at March 31, 2010		As at March 31, 2009
INTANGIBLE ASSETS										
Software	83,993	395,984	-	479,977	83,993	42,713	-	353,271	-	-
Bandwidth	10,748,556	3,793,321	(42,598)	14,584,475	1,726,271	918,995	(40,185)	11,899,024	9,022,285	9,022,285
Licences	21,141,521	-	(53,339)	21,194,860	10,471,099	1,144,252	(53,338)	9,526,171	10,670,422	10,670,422
TANGIBLE ASSETS										
Leasehold Land	248,465	135,230	(1,273)	384,968	5,467	4,167	(327)	375,007	242,998	242,998
Freehold Land	675,093	617,316	66,206	1,226,203	-	-	-	1,226,203	675,093	675,093
Building	3,510,129	1,509,183	(112,848)	5,132,160	730,540	212,221	31,787	4,221,186	2,779,589	2,779,589
Leasehold Improvements	2,751,137	596,438	143,296	3,204,279	1,187,626	452,430	155,663	1,719,886	1,563,511	1,563,511
Plant & Machinery	309,809,300	58,243,055	870,302	367,182,053	91,527,857	33,150,906	438,387	242,941,677	218,281,443	218,281,443
Computers	20,626,784	4,518,176	191,986	24,952,974	14,895,371	3,704,265	199,466	6,552,804	5,731,413	5,731,413
Office Equipment	1,894,030	550,891	135,284	2,309,637	1,131,230	216,418	(57,698)	904,291	762,800	762,800
Furniture & Fixture	975,061	290,792	27,112	1,238,741	667,757	158,060	18,180	431,104	307,304	307,304
Vehicles	199,557	39,013	7,471	231,099	106,048	40,449	11,098	95,700	93,509	93,509
Vehicle on Finance Lease	3,397	-	(452)	3,849	179	151	(203)	3,316	3,218	3,218
TOTAL	372,667,023	70,689,399	1,231,148	442,125,275	122,533,438	40,045,027	702,829	280,249,640	250,133,585	250,133,585
Capital Work in Progress (including Capital Advances)										
GRAND TOTAL	372,667,023	70,689,399	1,231,148	442,125,275	122,533,438	40,045,027	702,829	296,197,000	275,800,278	275,800,278
Previous Year	281,156,516	94,855,765	3,345,258	372,667,023	90,850,041	33,266,316	1,582,919	-	-	-

Notes:

- Capital Work In Progress includes Capital advances of Rs 258,275 thousand (Previous year Rs 1,555,709 thousand)
- Freehold Land and Building includes Rs 395,825 thousand (Previous year Rs 13,135 thousand) and Rs 332,137 thousand (previous year Rs 297,301 thousand) respectively, in respect of which registration of title in favour of the Company is pending
- Building includes building on leasehold land Rs 639,011 thousand (March 31, 2008 Rs 422,966 thousand)
- The remaining amortisation period of licence fees as at March 31, 2010 ranges between 5 to 15 years for Unified Access Service Licences and 12 years for Long Distance Licences
- Capital work in progress includes goods in transit Rs 2,119,900 thousand (Previous year Rs 2,069,495 thousand)
- Computers include Gross Block of assets capitalised under finance lease Rs 16,904,070 thousand (Previous year Rs 12,165,684 thousand) and corresponding Accumulated Depreciation being Rs 10,244,781 thousand (Previous year Rs 7,173,057 thousand) WDV of Rs 6,659,289 (Previous year Rs 4,992,627)
- Sale / Adjustment during the year includes reclassification of class of assets

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 6		
INVESTMENTS		
(Refer Note 7 on Schedule 21 and Note 20 on Schedule 22)		
Current, other than trade, Unquoted		
- Deposits and Bonds	4,662,570	1,757,384
Current, other than trade, Quoted		
- Mutual Funds	41,533,673	18,792,006
Long term, other than trade, Unquoted		
- Government securities	1,800	1,835
	46,198,043	20,551,225
Long Term : Trade, Un-quoted		
Investment in Subsidiaries		
1) Bharti Hexacom Limited: 174,999,980 (Previous year 174,999,980) Equity shares of Rs 10 each fully paid up	5,717,628	5,717,628
2) Bharti Airtel Services Limited: 100,000 (Previous year 100,000) Equity shares of Rs 10 each fully paid up.	1,000	1,000
3) Bharti Airtel (USA) Limited: 300 (Previous year 300) Equity shares of USD .0001 each fully paid up	508,971	508,971
4) Bharti Airtel (UK) Limited:123,663 (Previous year 123,633) Equity shares of GBP 1 each fully paid up	100,612	100,612
5) Bharti Airtel (Hongkong) Limited: 4,959,480 (Previous year 4,959,480) Equity shares of HKD 1 each fully paid up	26,333	26,333
6) Bharti Airtel (Canada) Limited: 75,100 (Previous year 100) Equity shares of Canadian Dollar (CAD) 1 each fully paid up	3,184	4
7) Bharti Airtel (Singapore) Private Limited: 7,50,001 (Previous year 7,50,001) Equity shares of Singapore Dollar (SGD) 1 each fully paid up.	20,139	20,139
8) Network i2i Limited: 9,000,000 (Previous year 9,000,000) Equity shares of USD 1 each fully paid up.	5,316,039	5,316,039
9) Bharti Infratel Limited: 500,000,000 (Previous year 500,000,000) Equity shares of Rs 10 each fully paid up	82,181,703	82,181,703
10) Bharti Telemedia Limited: 9,690,000 (Previous year 4,080,000) Equity shares of Rs 10 each fully paid up (Refer Note 2 (b) on Schedule 22)	114,697	40,902
11) Bharti Airtel Lanka (Private) Limited: 525,596,420 (Previous year 525,596,420) Equity shares of SLR 10 each fully paid up	2,049,411	2,049,411
12) Bharti Airtel Holdings (Singapore) Pte Limited: 311,000,001 (Previous year 1) Equity shares of Singapore Dollar (SGD) 1 each fully paid up (Refer Note 2 (c) of Schedule 22)	15,248,220	1,106,553
Investment in Joint Ventures		
1) Bridge Mobile Pte Limited: 2,200,000 (Previous year 2,200,000) Equity shares of USD 1 each fully paid up	92,237	92,237

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
Investment in Associates		
1) Bharti Teleports Limited : 1,470,000 (Previous year 1,470,000) Equity shares of Rs 10 each fully paid up.	14,700	14,700
2) Alcatel-Lucent Network Management Services India Limited: 9,000,004 equity shares of Rs 10 each. (Previous year Nil) (Refer Note 2(a) on Schedule 22)	90,000	-
Others		
1) IFFCO Kissan Sanchar Limited : 100,000 (Previous Year 100,000) Equity Shares	50,125	50,125
Investment in Subsidiary's Subsidiary		
1) Bharti International (Singapore) Pte. Ltd : 3,000 (Previous year Nil) Equity shares of USD 1 each fully paid up. (Refer Note 2 (d) of Schedule 22)	137	-
2) Bharti Airtel International (Netherlands) B.V.: 200 (Previous year Nil) Equity shares of EURO 1 each fully paid up. (Refer Note 2 (e) of Schedule 22)	12	-
	111,535,148	97,226,357
	157,733,191	117,777,582
<i>Aggregate Market Value of Quoted Investments</i>	42,166,651	18,877,621
<i>Aggregate Value of Quoted Investments</i>	41,533,673	18,792,006
<i>Aggregate Value of Unquoted Investments</i>	116,199,518	98,985,576

SCHEDULE : 7

INVENTORY

(Refer Note 6 on Schedule 21)

Stock-In-Trade *	272,443	621,510
	272,443	621,510

* Net of Provision for diminution in value Rs 209,661 thousand
(March 31, 2009 Rs 20,827 thousand)

SCHEDULE : 8

SUNDRY DEBTORS

(Refer Note 5 on Schedule 21 and Note 9 on Schedule 22)

(Unsecured, considered good unless otherwise stated)

Debts outstanding for a period exceeding six months				
- considered good	1,234,087		1,027,380	
- considered doubtful	9,766,097		6,940,556	
Less : Provision for doubtful debts	(9,766,097)	1,234,087	(6,940,556)	1,027,380
Other debts				
- considered good	19,815,683		24,473,108	
- considered doubtful	1,486,058		2,000,235	
Less : Provision for doubtful debts	(1,486,058)	19,815,683	(2,000,235)	24,473,108
	21,049,770		25,500,488	

Debts due from other Companies under the same
management within the meaning of section 370(1B)
Rs Nil (March 31, 2009 Rs Nil)

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash in Hand	47,078	23,382
Cheques in Hand	247,827	422,136
Balances with Scheduled Banks		
- in Current Account	253,948	1,088,926
- in Fixed deposits *	7,614,748	20,977,614
- in Deposit Account as Margin Money	3,814	3,969
	8,167,415	22,516,027

*[(Includes Rs 11,749 thousand pledged with various authorities (March 31, 2009 Rs 14,208 thousand)]

SCHEDULE : 10

OTHER CURRENT ASSETS

Interest Accrued on Investment	51,256	207,635
Unamortised upfront fees and Deferred Premium	612,487	989,492
	663,743	1,197,127

SCHEDULE : 11

LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Advances Recoverable in cash or in kind or for value to be received*

- Considered good	21,485,376	19,708,192
- Considered doubtful	4,394,600	4,438,434
- Less: Provision	<u>(4,394,600)</u>	<u>(4,438,434)</u>
	21,485,376	19,708,192
Balances with Customs, Excise and Other Authorities	6,261,910	11,174,596
Advances to Subsidiaries (Net)	21,204,507	10,656,967
Advance to ESOP Trust	82,753	105,489
Advance Tax [Net of provision for tax Rs 46,022,231 thousand (March 31, 2009 Rs 26,209,322 thousand)]	837,329	894,226
Advance Wealth Tax [Net of provision for tax Rs 1,091 thousand (March 31, 2009 Rs 840 thousand)]	1,190	694
Advance Fringe Benefit Tax [Net of provision for tax Rs 920,675 thousand (March 31, 2009 Rs 869,615 thousand)]	13,398	49,655
MAT Credit	12,210,994	1,825,128
	62,097,457	44,414,947

* Debts due from other Companies under the same management within the meaning of section 370(1B)
Nil (March 31, 2009 Rs Nil)

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	As at		As at	
	March 31, 2010		March 31, 2009	
SCHEDULE : 12				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors:				
Total outstanding dues of Micro and Small Enterprises*	43,502		44,258	
Total outstanding dues of Creditors other than				
Micro and Small Enterprises**	86,427,553	86,471,055	91,508,638	91,552,896
Advance Billing and Prepaid Card Revenue		27,586,999		31,299,451
Interest accrued but not due on loans		270,767		840,186
Other Liabilities		4,065,189		3,429,190
Advance Received from customers		582,698		633,162
Security Deposits (Refer Note 9 of Schedule 22)		2,823,225		3,424,931
		<u>121,799,933</u>		<u>131,179,816</u>
*Refer Note 18 on Schedule 22				
** Amount repayable to Subsidiary Companies				
Rs 9,675,979 thousand (Previous year				
Rs 2,640,272 thousand)				
Provisions				
Gratuity (Refer Note 10 on Schedule 21 and				
Note 6 on Schedule 22)		724,157		582,275
Leave Encashment (Refer Note 10 on Schedule 21 and				
Note 6 on Schedule 22)		533,833		477,634
Others (Refer Note 6 (i) and 21 on Schedule 22)		886,634		842,403
Proposed Dividend		3,797,530		3,796,480
Tax on Dividend		645,390		645,212
		<u>6,587,544</u>		<u>6,344,004</u>
		<u>128,387,477</u>		<u>137,523,820</u>
SCHEDULE : 13				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
(Refer Note 14 on Schedule 21 and Note 27 on Schedule 22)				
Deferred Employee Compensation Expense*				
Opening Balance		-		-
Add: Addition/ (Adjustments) during the year		-		(1,351)
Less: Amortisation for the year**		-		(1,351)
		<u>-</u>		<u>-</u>
* Relating to Employee Stock Option Scheme 2001 and 2004				
** Net of stock compensation income of Rs 3,793				
(March 31,2009 Rs 3,682 thousand)				
Premium on Redemption of Debentures				
Opening Balance		873		2,034
Less : Write back during the year		-		588
Less : Amortisation for the year		873		573
		<u>-</u>		<u>873</u>

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE : 14		
NETWORK OPERATING EXPENDITURE		
Interconnect and Port charges	838,134	864,335
Installation	46,299	42,549
Power and Fuel	21,900,877	21,136,294
Rent	35,824,962	28,747,906
Insurance	361,597	124,567
Repairs and Maintenance		
- Plant and Machinery	10,743,994	7,703,525
- Others	286,327	159,285
Leased Line and Gateway charges	1,239,085	1,213,649
Internet access and bandwidth charges	2,188,695	2,393,706
Others	1,037,256	883,105
	74,467,226	63,268,921
SCHEDULE : 15		
COST OF GOODS SOLD		
Opening Stock	621,510	568,607
Add : Purchases	2,787,242	2,869,427
Less : Simcard Utilisation	2,436,158	1,618,471
Less : Internal issues / capitalised	496,926	1,074,002
Less : Closing Stock *	272,443	621,510
	203,225	124,051
* Net of Provision for diminution in value of Rs 209,661 thousand (March 31,2009 Rs 20,827 thousand)		
SCHEDULE : 16		
PERSONNEL EXPENDITURE		
(Refer Note 10 on Schedule 21 and Note 6 on Schedule 22)		
Salaries and Bonus *	13,036,018	12,959,548
Contribution to Provident and Other Funds	478,156	430,928
Staff Welfare	502,386	584,949
Recruitment and Training	354,763	360,982
	14,371,323	14,336,407
* Excluding amortisation of Deferred ESOP cost (refer Note 27(vii) on Schedule 22)		
SCHEDULE : 17		
SALES AND MARKETING EXPENDITURE		
Advertisement and Marketing	5,508,166	6,228,864
Sales Commission and Content Cost	11,542,933	6,326,848
Sim card utilisation	2,436,158	1,618,471
Others	4,561,805	7,589,808
	24,049,062	21,763,991

Schedules Annexed to and forming part of Financial Statements

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE : 18		
ADMINISTRATIVE AND OTHER EXPENDITURE		
Legal and Professional	967,042	746,185
Rates and Taxes	204,142	107,561
Power and Fuel	749,151	596,648
IT and call Center Outsourcing	9,566,406	10,943,342
Traveling and Conveyance	818,548	942,806
Rent	1,568,104	1,087,509
Repairs and Maintenance		
- Building	131,163	106,231
- Others	468,855	398,890
Insurance	77,087	28,490
Bad debts written off	718,460	756,695
Provision for doubtful debts and advances	2,267,530	2,684,358
Provision for Diminution in Stock/ CWIP/ Security Deposit	487,332	228,944
Collection and Recovery Expenses	2,743,897	1,708,114
Loss on sale of Fixed Assets (net)	170,856	-
Miscellaneous Expenses	1,462,903	539,555
	22,401,476	20,875,328
SCHEDULE : 19		
OTHER INCOME		
Liabilities/Provisions no longer required written back	444,478	497,718
Profit on Sale of Fixed Assets (Net)	-	38,899
Miscellaneous	452,817	870,751
	897,295	1,407,368
SCHEDULE : 20		
FINANCE EXPENSE / (INCOME) (Net)		
Interest :		
- On Term Loan	979,423	2,010,561
- On Debentures	53,652	58,457
- On Others	39,776	35,189
Amortisation of Premium on Redemption of FCCB's	957	573
Exchange fluctuation (gain) / loss (Net)	(8,513,486)	17,142,195
Loss from swap arrangements (Net)	87,713	65,433
Other Finance Charges	1,671,984	2,171,412
	(5,679,981)	21,483,820
Less : Income		
Profit on sale of Current Investments (other than trade)	1,839,461	2,354,840
Interest Income :		
- from Current Investments and Fixed Deposits (other than Trade) [Gross of TDS of Rs 124,582 thousand (March 31, 2009 Rs 132,610 thousand)]	552,464	739,406
- from other advances [Gross of TDS of Rs 41,282 thousand (March 31, 2009 Rs 171,212 thousand)]	484,568	749,732
	2,876,493	3,843,978
	(8,556,474)	17,639,842

Schedules Annexed to and forming part of Financial Statements

SCHEDULE: 21

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

1 BASIS OF PREPARATION

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto, including taxes & 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.

The intangible component of license fee payable by the Company for cellular and basic circles, upon migration to the National Telecom Policy (NTP 1999), i.e. Entry Fee, has been capitalised as an asset and the one time license fee paid by the Company for acquiring new licences (post NTP-99) (basic, cellular, national long distance and international long distance services) has been capitalised as an intangible asset.

4. DEPRECIATION / AMORTISATION

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

Company are as follows:

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

Software up to Rs 500 thousand is fully depreciated in the financial year placed in service.

Bandwidth capacity is amortised on straight line basis over the period of the agreement subject to a maximum of 18 years.

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.

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

Fixed Assets costing upto Rs 5 thousand are being fully depreciated within one year from the date of acquisition.

5. REVENUE RECOGNITION AND RECEIVABLES

Mobile Services

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

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

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

Telemedia Services (Erstwhile Broadband & Telephone Services)

Service revenue is recognised on completion of provision of services. Revenue is recognised when no significant uncertainty exists regarding realisation of consideration.

Service Revenues includes access charges passed on to other operators, and is net of discounts and waivers.

Enterprise Services (Erstwhile Enterprise Services – Carrier Segment and Enterprise Services - Corporate Segment)

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

Activation Income

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

Investing and other Activities

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

Provision for doubtful debts

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

For receivables due from the other operators on account of their National Long Distance (NLD) and International Long Distance (ILD) traffic 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 recognised in respect of Mobile, Broadband and Telephone, and Long Distance services provided from the bill cycle date to the end of each month. These are billed in subsequent periods as per the terms of the billing plans.

6. INVENTORY

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

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

7. INVESTMENT

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

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

8. LICENSE FEES – REVENUE SHARE

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

9. FOREIGN CURRENCY TRANSLATION, ACCOUNTING FOR FORWARD CONTRACTS & DERIVATIVES

Initial Recognition

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

Conversion

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

Exchange Differences

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

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

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

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

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

The Company enters into various foreign currency option contracts & interest rate swap contracts that are not in the nature of forward contracts designated under AS 11 as such and contracts that are not entered to establish the amount of the reporting currency required or available at the settlement date of a transaction; to hedge its risks with respect to foreign currency fluctuations and interest rate exposure arising out of import of capital goods using foreign currency loan. At every year end all outstanding derivative contracts are fair valued on a marked-to-market basis and any loss on valuation is recognised in the profit and loss account, on each contract basis. Any gain on marked-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 period/year end, all outstanding embedded derivative instruments are fair valued on mark-to-market basis and any loss on valuation is recognized in the profit & loss account for the period/year. Any reduction in mark to market valuations and reversals of such reductions are included in profit and loss statement of the period/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 period/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 marked-to-market basis and any loss on such valuation is recognised in the Profit & Loss Account for the period.

10. EMPLOYEE BENEFITS

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

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

The Company has no further obligations under these plans beyond its monthly contributions.

- (c) Some employees of the Company are entitled to superannuation, a defined contribution plan which is administered through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recorded as an expense as incurred.
- (d) Short term compensated absences are provided for, based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (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 financial year in accordance with Accounting Standard 15 (revised), "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 service benefits are provided based on actuarial valuation made at the end of each period/year. The actuarial valuation is done as per projected unit credit method.
- (g) Actuarial gains and losses are recognized as and when incurred.

11. PRE-OPERATIVE EXPENDITURE

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

12. LEASES

- a) Where the Company is the lessee:

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

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to

ownership of the leased item are classified as finance lease. Assets acquired on 'Finance Lease' which transfer risk and rewards of ownership to the Company are 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 or where applicable, estimated fair value of such assets.

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:

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

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

Finance Income is 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 Profit and Loss Account at the inception of the lease.

13. TAXATION

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

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

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 period/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 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.

Finance Act 2009, abolished 'Fringe Benefit Tax' effective April 1, 2009. Accordingly, the Company has not accounted for any fringe benefit tax.

14. MISCELLANEOUS EXPENDITURE

Premium on redemption of debentures is recognised as an expense to the Profit and Loss Account over the period of the related contract.

15. 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.

16. 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).

17. SEGMENTAL REPORTING

a) Primary Segment

The Company operates in three primary business segments viz. Mobile Services, Telemedia Services and Enterprise Services (Erstwhile Enterprises Services 'Carrier' and Enterprise Services 'Corporate').

b) Secondary Segment

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

18. EARNINGS PER SHARE

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for events of share splits/bonus issue post period 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).

19. WARRANTY AND ASSET RETIREMENT OBLIGATIONS (ARO)

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

20. PROVISIONS

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

21. EMPLOYEE STOCK OPTIONS OUTSTANDING

Employee Stock options outstanding are valued using Black Scholes / Lattice valuation option – pricing model and the fair value is recognised as an expense over the period in which the options vest.

22. CASH AND CASH EQUIVALENTS

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

Schedules Annexed to and forming part of Financial Statements

SCHEDULE: 22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

1. Background

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

2. New operations

- a) Alcatel-Lucent Network Management Services India Limited ('ALNMSIL') was incorporated with the principal business of developing an efficient and cost effective platform and vehicle to provide managed services to the Company. On July 28, 2009, the Company subscribed to 9,000,004 equity shares in ALNMSIL for an aggregate consideration of Rs 90,000 thousand towards 26% stake.
- b) On June 5, 2007, the Company acquired 40% equity shares of Bharti Telemedia Limited ('BTML') and became holding company of the BTML based on control over composition of Board of Directors. On October 23, 2009, the Company has acquired additional 55% equity shares for a consideration of Rs 73,795 thousand from Bharti Enterprises Limited resulting into 95% total equity interest in BTML.
- c) On January 12, 2010, the Company executed agreements for acquiring (through Bharti Airtel Holdings (Singapore) Pte Ltd, its 100% subsidiary) an equity stake of 70% by subscription and transfer of shares in Warid Telecom International Limited, Bangladesh ('Warid Telecom') a mobile telecommunication service provider in Bangladesh for an investment of USD 300,100 thousand (Rs 13,912,175 thousand) in the Company. The Company has remitted USD 311,527 thousand (Rs 14,141,667 thousand) to its subsidiary, Bharti Airtel Holdings (Singapore) Pte Ltd towards equity for investment in Warid Telecom, Bangladesh and to meet incidental costs for the acquisition.
- d) On March 18, 2010, Bharti International (Singapore) Pte. Ltd has been incorporated as a subsidiary of Bharti Airtel Holdings (Singapore) Pte. Ltd, with an intention of consolidating business interest in Singapore and investment in overseas ventures. Bharti Airtel Holdings (Singapore) Pte. Ltd holds 98.52% stake in the newly incorporated entity and remaining 1.48% stake is held by the ultimate parent company, Bharti Airtel Limited.
- e) On March 19, 2010, Bharti Airtel International (Netherlands) B.V., has been incorporated with an intention of creating a hub for the international mobile operations of the Company. Bharti

International (Singapore) Pte. Ltd, holding Company holds 98.90% and remaining 1.10% stake is held by the ultimate parent company Bharti Airtel Limited.

- f) On March 30, 2010, the Company has entered into a definitive agreement with Zain Group to acquire Zain Africa BV ('Zain') for an enterprise valuation of USD 10.7 bn. The Company, through its overseas wholly owned subsidiary companies, will acquire Zain's African mobile services operation in 15 countries with a total subscriber base of over 42 mn. The parties are in process of completing the transaction.
- g) In April 2010, the Company has incorporated a wholly owned subsidiary, Airtel M Commerce Services Limited and has invested Rs 20,000 thousand in its 2,000,000 equity shares of Rs 10 each.

3. Contingent liabilities

- a) Total Guarantees outstanding as at March 31, 2010 amounting to Rs 30,435,163 thousand (March 31, 2009 Rs 20,895,580 thousand) have been issued by banks and financial institutions on behalf of the Company.

Corporate Guarantees outstanding as at March 31, 2010 amounting to Rs 8,498,147 thousand (March 31, 2009 Rs 1,576,542 thousand) have been given to banks and financial institutions as mentioned above on behalf of Group Companies.

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

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
- Sales Tax (see 3 (c) below)	433,894	399,942
- Service Tax (see 3 (d) below)	2,022,375	668,073
- Income Tax (see 3 (e) below)	5,618,246	1,977,127
- Customs Duty (see 3 (f) below)	2,198,348	2,198,348
- Stamp Duty	353,453	353,403
- Entry Tax (see 3 (g) below)	1,956,008	1,020,873
- Municipal Taxes	1,401	2,994
- Access Charges/ Port Charges (see 3 (h) below)	1,281,981	2,208,917
- DoT demands (including 3 (i) below)	710,836	579,674
- Other miscellaneous demands	83,258	66,034
(ii) Claims under legal cases including arbitration matters (including 3 (j) below)	372,974	464,149
	15,032,774	9,939,534

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

c) Sales tax

The claims for sales tax as at March 31, 2010 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; and
- iv. the applicability of sales tax on sale of SIM cards, recharge coupons, 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. The Company, believes, that there would be no liability that would arise from this matter.

d) Service tax

The service tax demands as at March 31, 2010 relate to:

- i. roaming revenues charged from other operators;
- ii. subscriber receivables written off; and
- iii. cenvat claimed on tower and related material.

e) Income tax demand under appeal

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

f) Custom duty

The custom authorities, in some states, demanded Rs 2,198,348 thousand as at March 31, 2010 (March 31, 2009 - Rs 2,198,348 thousand) 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. The management is of the view that the probability of the claims being successful is remote.

g) Entry tax

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is *ultra vires* the constitution. Classification issues have 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, 2010 was Rs 1,956,008 thousand (March 31, 2009 - Rs 1,020,873 thousand) included in Note 3 (b) above.

h) Access charges

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

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

i) DoT Demands

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

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

j) Others

Others mainly include disputed demands for consumption tax, disputes before consumer forum and

with respect to labour cases and a potential claim for liquidated damages.

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

k) Bharti Mobinet Limited ('BMNL') litigation

Bharti Airtel is currently in litigation with DSS Enterprises Private Limited (DSS) (0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) for an alleged claim for specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to Bharti Airtel. The case filed by DSS to enforce the sale of equity shares before the Delhi High Court had been transferred to District Court and was pending consideration of the Additional District Judge. This suit was dismissed in default on the ground of non-prosecution. DSS had filed an application for restoration of the suit but has subsequently withdrawn the restoration application. In respect of the same transaction, Crystal Technologies Private Limited ('Crystal'), an intermediary, has initiated arbitration proceedings against the Company demanding Rs 194,843 thousand regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to Bharti Airtel. The Ld. Arbitrator has partly allowed the award for a sum of Rs 31,222 thousand, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) included in Note 3 (b) above and a further 18% interest from date of award to date of payment. The Company has filed an appeal against the said award. Hon'ble Delhi High Court, on October 28, 2009 has directed both the parties to file their submission before the hearing on May 7, 2010.

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 suit was subsequently dismissed as frivolous, which has been appealed to in the Delhi High Court by DSS and subsequently transferred to District Court. DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay has been granted by the Delhi High Court with respect to the commencement of arbitration proceedings. The stay has been made absolute. Further against the above Order of Single Judge making the stay in favour of Bharti absolute, DSS filed an appeal before the Division

Bench of Delhi High Court. The matter has been admitted, whereafter the matter reached for arguments and was dismissed on account of non prosecution.

The liability, if any, of Bharti Airtel arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with Bharti Airtel, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of Rs 10 each (5,444,250 equity shares of Rs 5 each post split) bringing the share of DSS in Bharti Airtel down to 0.14% as at March 31, 2010.

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

4. Export Obligation

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

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

Accordingly, the Company is required to export goods and services of FOB value of Rs 1,002,766 thousand (March 31, 2009 Rs 2,596,473 thousand) by February 22, 2018.

5. a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) Rs 15,684,080 thousand as at March 31, 2010 (March 31, 2009- Rs 29,526,399 thousand).
- b) Under the IT Outsourcing Agreement, the Group has commitments to pay Rs 6,597,050 thousand as at March 31, 2010 (March 31, 2009 - Rs 7,563,213 thousand) comprising of finance lease and service charges. In addition, the future monthly rentals under this contract are determined on a revenue share basis over the non-cancellable period of the agreement.

6. Employee benefits

- a) During the year, the Company has recognized the following amounts in the Profit and Loss Account

Defined Contribution Plans

(Rs '000)		
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Employer's Contribution to Provident Fund *@	478,025	430,173
Employer's Contribution to Super annuation Fund #	100	2,162
Employer's Contribution to ESI *	131	755

* Included in Contribution to Provident and Other Funds (Refer Schedule 16)

Included in Salaries, Wages and Bonus (Refer Schedule 16)

@ Includes Contribution to Defined Contribution Plan for Key Managerial Personnel (Refer Note 16 below)

Defined Benefit Plans

Gratuity liability and leave encashment liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

For the Year ended March 31, 2010

(Rs '000)				
Particulars	Gratuity #			Leave Encashment #
	Funded	Unfunded	Total	Unfunded
Current service cost	96,473	69,444	165,917	136,017
Interest cost	37,667	11,694	49,362	35,823
Expected Return on plan assets	(5,691)	-	(5,691)	-
Actuarial (gain) / loss	7,773	129,945	137,718	127,443
Past service cost	-	-	-	-
Curtailment and Settlement cost / (credit)	-	-	-	-
Net gratuity/				
Leave encashment cost	136,222	211,084	347,306	299,283

For the Year ended March 31, 2009

(Rs '000)				
Particulars	Gratuity #			Leave Encashment #
	Funded	Unfunded	Total	Unfunded
Current service cost	137,385	16,290	153,675	137,873
Interest cost	24,644	8,777	33,421	34,851
Expected Return on plan assets	(4,894)	-	(4,894)	-
Actuarial (gain) / loss	121,656	(7,094)	114,562	34,078
Past service cost	-	-	-	-
Curtailment and Settlement cost / (credit)	-	-	-	-
Net gratuity/				
Leave encashment cost	278,791	17,973	296,764	206,802

Included in Salaries, Wages and Bonus (Refer Schedule 16)

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

For the Year ended March 31, 2010

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

For the Year ended March 31, 2009

Particulars	Gratuity	Leave Encashment
Discount Rate	7.50%	7.50%
Expected Rate of increase in Compensation levels		
- 1st Three Years	15.00%	15.00%
- Thereafter	7.00%	7.00%
Expected Rate of Return on Plan Assets	7.50%	N.A.
Expected Average remaining working lives of employees (years)	25.23 years	25.23 years

c) Reconciliation of opening and closing balances of benefit obligations and plan assets

For the Year ended March 31, 2010

(Rs '000)

Particulars	Gratuity			Leave Encashment
	Funded	Unfunded	Total	Unfunded
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	502,455	155,701	658,156	477,634
Current service cost	96,473	69,444	165,917	136,017
Interest cost	37,667	11,694	49,362	35,823
Benefits paid	-	(205,424)	(205,424)	(243,084)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Past service cost	-	-	-	-
Actuarial (gain) / loss	2,108	129,919	132,027	127,443
Projected benefit obligation at year end	638,703	161,335	800,038	533,833
Change in plan assets :				
Fair value of plan assets at beginning of year	75,881	-	75,881	-
Expected return on plan assets	5,691	-	5,691	-
Actuarial gain / (loss)	(5,691)	-	(5,691)	-
Employer contribution	-	-	-	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at year end	75,881	-	75,881	-
Net funded status of the plan	(562,822)	(161,335)	(724,157)	(533,833)
Net amount recognized	(562,822)	(161,335)	(724,157)	(533,833)

For the Year ended March 31, 2009

(Rs '000)

Particulars	Gratuity			Leave Encashment
	Funded	Unfunded	Total	Unfunded
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	345,363	100,257	445,620	464,676
Current service cost	137,385	16,290	153,675	137,873
Interest cost	24,644	8,777	33,421	34,851
Benefits paid	-	(84,228)	(84,228)	(193,843)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Past service cost	-	-	-	-
Actuarial (gain) / loss	(4,937)	114,605	109,668	34,077
Projected benefit obligation at year end	502,455	155,701	658,156	477,634
Change in plan assets :				
Fair value of plan assets at beginning of year	65,247	-	65,247	-
Expected return on plan assets	4,894	-	4,894	-
Actuarial gain / (loss)	(4,893)	-	(4,893)	-
Employer contribution	10,633	-	10,633	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at year end	75,881	-	75,881	-
Net funded status of the plan	(426,574)	(155,701)	(582,275)	(477,634)
Net amount recognized	(426,574)	(155,701)	(582,275)	(477,634)

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

- e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- f) The Group made annual contributions to the LIC of an amount advised by the LIC. The Group was not informed by LIC of the investments made by the LIC or the break-down of plan assets by investment type.
- g) Estimated amounts of benefits payable within next year are Rs 376,709 thousand (March 31, 2009 Rs 242,918 thousand).
- h) The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'

(Rs '000)

Particulars	Gratuity				Leave Encashment			
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Defined benefit obligation	800,038	658,156	445,620	356,849	533,833	477,634	464,676	366,542
Plan assets	75,881	75,881	65,247	63,256	-	-	-	-
Surplus / (deficit)	(724,157)	(582,275)	(380,373)	(293,593)	(533,833)	(477,634)	(464,676)	(366,542)
Experience adjustments on plan liabilities	(129,758)	(82,181)	(39,808)	41,650	(105,935)	(16,439)	(68,090)	36,970
Experience adjustments on plan assets	(5,691)	(4,894)	(4,733)	393	-	-	-	-

- i) Movement in provision for Deferred Incentive Plan

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Opening Balance	470,248	103,172
Addition during the year	671,839	463,797
Less : Utilized during the year	533,252	96,721
Closing Balance	608,835	470,248

- j) Other long term service benefits are provided based on actuarial valuation (as per the Projected Unit Credit Method) made at the end of each financial year. Long term service award provided by the Company as at March 31, 2010 is Rs 115,743 thousand (March 31, 2009 Rs 95,502 thousand).

7. Investment in Joint Ventures / Jointly owned assets:

Jointly owned assets

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

For the Year ended March 31, 2010

Cable Project	Total Contribution (Rs '000)	Capital Work In Progress (Rs '000)	WDV As at March 31, 2010 (Rs '000)	Share %
SMW-4	2,514,188	-	1,917,080	11.19%
AAG - Project	1,804,191	-	1,757,397	7.08%
EASSY - Project	107,578	107,578	-	1.00%
EIG - Project	1,387,385	1,387,385	-	7.09%
IMEWE - Project	2,037,223	2,037,223	-	12.79%
Unity - Project - Common & Others	1,196,612	61,178	1,134,993	10.00%
Unity - Project - Light Up	149,201	-	149,143	13.91%

For the Year ended March 31, 2009

Cable Project	Total Contribution (Rs '000)	Capital Work In Progress (Rs '000)	WDV As at March 31, 2010 (Rs '000)	Share %
SMW-4	2,514,188	331,727	1,763,754	10.76%
AAG - Project	1,212,110	1,212,110	-	7.08%
EASSY - Project	29,753	29,753	-	1.11%
EIG - Project	550,389	550,389	-	7.09%
IMEWE - Project	1,157,698	1,157,698	-	12.79%
Unity - Project - Common & Others	323,939	323,939	-	10.00%
Unity - Project - Light Up	40,541	40,541	-	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 2,200 thousand, amounting to Rs 92,237 thousand, in 2,200 thousand ordinary shares of USD 1 each which is equivalent to an ownership interest of 10.00% as at March 31, 2010 (March 31, 2009: USD 2,200 thousand, Rs 92,237 thousand, ownership interest 10.00%)
- c) The following represent the Company's share of assets and liabilities, and income and results of the joint venture.

(Rs '000)

Particulars	As at March 31, 2010 (Unaudited)	As at March 31, 2009 (Audited)
Balance Sheet		
Reserve and surplus	(34,390)	(31,220)
Fixed assets, (net)	1,264	9,901
Investments	-	-
Current assets		
Sundry debtors	4,940	6,711
Cash and bank	70,388	76,508
Loans and advances	-	-
Current liabilities and provisions	7,161	7,154

(Rs '000)

Particulars	For the year ended March 31, 2010 (Unaudited)	For the year ended March 31, 2009 (Audited)
Profit and Loss Account		
Service revenue	18,445	17,244
Other income	-	-
Expenses		
Operating expenses	13,221	14,876
Selling, general and administration expenses	4,854	5,845
Finance expenses/(income)	(754)	(2,153)
Depreciation	8,582	4,536
Profit/(Loss)	(7,457)	(5,860)

8. During the year ended March 31, 2005 the Company issued USD 115,000,000 Zero Coupon Convertible Bonds due 2009 (the "FCCBs"). The FCCBs are convertible at any time on or after June 12, 2004 (or such earlier date as is notified to the holders of the FCCBs by the Issuer) up to April 12, 2009 by holders into fully paid equity shares with full voting rights with a par value of Rs 10 each of the Issuer ("Shares") at an initial Conversion Price (as defined in the "Terms and Conditions of the FCCBs") of Rs 233.17 per share

with a fixed rate of exchange on conversion of Rs 43.56 = USD 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The FCCBs could be redeemed, in whole or in part, at the option of the Issuer at any time on or after May 12, 2007 and prior to April 12, 2009, subject to satisfaction of certain conditions, at their "Early Redemption Amount" (as defined in the "Terms and Conditions of the FCCBs") at the date fixed for such redemption if the "Closing Price" (as defined in the "Terms and Conditions of the FCCBs") of the Shares translated into U.S. dollars at the "prevailing rate" (as defined in the "Terms and Conditions of the FCCBs") for each of 30 consecutive "Trading Days" (as defined in the "Terms and Conditions of the FCCBs"), the last of which occurs not more than five days prior to the date upon which notice of such redemption is published, is greater than 120 percent of the "Conversion Price" (as defined in the "Terms and Conditions of the FCCBs") then in effect translated into U.S. dollars at the rate of Rs 43.56 = USD 1.00.

The FCCBs could also be redeemed in whole, and not in part, at any time at the option of the Issuer at their Early Redemption Amount if less than 5 percent in aggregate principal amount of the FCCBs originally issued is outstanding.

The FCCBs could also be redeemed in whole, at any time at the option of the Issuer at their Early Redemption Amount in the event of certain changes relating to taxation in India.

The Issuer could, at the option of any holder of any FCCBs, repurchase at the Early Redemption Amount such FCCBs at such time as the Shares cease to be listed or admitted to trading on the NSE or upon the occurrence of a "Change of Control" (as defined in the "Terms and Conditions of the FCCBs") in respect of the Issuer. These FCCBs were listed in the Singapore Exchange Securities Trading Limited (the "SGX-ST").

During the year, the Company has converted FCCBs equivalent to USD 350,000 into 65,385 equity shares of the Company at the option exercised by the bond holders which is as follows:

Date of Allotment	No. of Shares Allotted	FCCB Value (USD)
May 1, 2009	65,385	350,000

The balance FCCBs equivalent to USD 50,000 have been redeemed at 111.84% of their principal amount after completion of the statutory formalities.

As of March 31, 2010, there are no FCCBs pending for conversion into equity shares.

9. Rs 2,823,225 thousand (March 31, 2009 Rs 3,424,931 thousand) included under Current Liabilities, represents refundable security deposits received from subscribers on activation of connections granted thereto and are

repayable on disconnection, net of outstanding, if any and security deposits received from channel partners. Sundry debtors are secured to the extent of the amount outstanding against individual subscribers by way of security deposit received from them.

10. As at March 31, 2010, 3,130,495 equity shares (of face value of Rs 5) (March 31, 2009 4,180,490 equity shares) of the Company are held by Bharti Tele-Ventures Employee's Welfare Trust issued at the rate of Rs 25.68 (Rs 51.36 pre split up) per equity share fully paid up. (Refer Note 30 on Schedule 22)

11. Sales and Marketing under Schedule 17 includes goodwill waivers which are other than trade discount, of Rs 353,713 thousand (March 31, 2009, Rs 340,299 thousand).

12. 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) Loans and advances in the nature of loans have been given to subsidiaries. (Refer Note 23 for amount outstanding and maximum amount outstanding during the year).

(b) Loan and advance in the nature of loan bearing nil interest given to Bharti Telemedia Limited Rs 14,879,527 thousand (March 31, 2009 Rs 6,384,291 thousand)

(c) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at LIBOR + 4.5% interest rate is Rs 6,183,649 thousand.

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

Particulars	Amount Outstanding (Rs '000)	Security charges
11.70%, 50 Non-convertible Redeemable Debentures of Rs 10,000 thousand each balance repayment commencing from June, 2010	375,000	<ul style="list-style-type: none"> First ranking pari passu charge on all present and future tangible movable and freehold immovable assets owned by Bharti Airtel Limited including plant and machinery, office equipment, furniture and fixtures fittings, spares tools and accessories All rights, titles, interests in the accounts, and monies deposited and investments made there from and in project documents, book debts and insurance policies.
Vehicle Loan From Bank	19,296	Secured by Hypothecation of Vehicles of the Company
Total	394,296	

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

- Intellectual properties of Bharti Airtel.
- Investment in subsidiaries of Bharti Airtel.
- Licenses issued by DoT to the Company to provide various telecom services.

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

(Rs '000)		
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Expenditure		
On account of:		
Interest	981,066	1,999,983
Professional & Consultation Fees	198,466	122,323
Travelling	4,090	1,773
Roaming Charges(Incl. Commission)	2,346,554	2,860,862
Membership & Subscription	30,656	14,277
Staff Training & Others	40,642	63,827
Network Services	756,731	589,528
Annual Maintenance	756,771	502,434
Bandwidth Charges	1,001,948	1,144,713
Access Charges	12,403,255	11,890,341
Software	34,490	26,031
Marketing	406,209	25,956
Upfront fee on borrowings	29,893	74,907
Content Charges	999	3,098
Charity and Donation	-	17,801
Point of Presence Charges	26,745	100,601
Directors Commission and Sitting Fees	11,733	10,475
Agency Fees & Premium fees	80,658	59,794
Listing Fees	-	32
Total	19,110,906	19,508,756
Earnings		
Roaming Revenue	4,363,782	4,892,441
Billing Revenue	13,380,070	13,173,828
Management Charges	199,619	27,285
Total	17,943,471	18,093,554

15. CIF Value of Imports:

(Rs '000)		
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Capital Good	15,472,071	33,833,931
Total	15,472,071	33,833,931

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

(Rs '000)		
Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Whole Time Directors		
Salary	92,372	111,193
Contribution to Provident fund and other funds	11,085	12,949
Reimbursements and Perquisites	879	595
Performance Linked Incentive	178,609	151,686
Total Remuneration payable to whole time directors	282,944	276,423
Non Whole Time Directors		
Commission	15,517	14,056
Sitting Fees	480	480
Total amount paid /payable to non whole time directors	15,997	14,536
Total Managerial Remuneration	298,941	290,959

As the liability 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.

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

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Net Profit before tax from ordinary activities	106,992,486	81,615,367
Add: Remuneration to Whole time director's	282,944	276,423
Add: Amount Paid to Non Whole time directors	15,997	14,536
Add: Depreciation and Amortisation provided in the books *	40,979,212	33,850,990
Add: (Profit)/Loss on Sales of Fixed Assets	170,856	(38,899)
Add: Provision for doubtful debts and advances	2,267,530	2,684,358
Less: Depreciation under Section 350 of the Companies Act, 1956	40,979,212	33,850,990
Net Profit / (Loss) for the year Under Section 349	109,729,813	84,551,785
Maximum Amount paid / payable to non whole-time Directors Restricted to 1%	1,097,298	845,518
Maximum Amount paid / payable to whole-time Directors Restricted to 10%	10,972,981	8,455,179
Amount Paid / Payable to Directors (excluding sitting fees)	298,461	290,479

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

Remuneration paid/payable to director from subsidiary company

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Whole Time Directors		
Salary	24,810	20,085
Contribution to Provident fund and other funds	2,977	2,205
Performance Linked Incentive	21,420	16,800
Total Remuneration payable to director from subsidiary company	49,207	39,090
Non Whole Time Directors		
Sitting Fees	50	30
Total amount paid /payable to non whole time directors	50	30
Total Managerial Remuneration	49,257	39,120

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.

17. Auditors Remuneration :

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
- Audit Fee*	39,088	38,888
- As adviser, or in any other capacity, in respect of-		
(i) taxation matters;	179	150
(ii) company law matters;	Nil	Nil
(iii) management services; and	Nil	Nil
- in any other manner *	8,930	6,239
- Reimbursement of Expenses *	5,061	4,659
Total	53,258	49,936

* Excluding Service Tax

18. Amounts due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 aggregate to Rs 37,617 thousand (March 31, 2009 – Rs 44,258 thousand) based on the information available with the Company and the confirmation received from the creditors till the year end. :

(Rs '000)

Sr No	Particulars	March 31, 2010	March 31, 2009
1	The principal amount and the interest due thereon [Rs 138 thousand (March 31, 2009 – Rs 871 thousand)] remaining unpaid to any supplier as at the end of each accounting year.	37,617	44,258
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;	138	871
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.	-	-

19. Quantitative Information

2009-10

Particulars	Year ended		Purchases		Utilisation (Refer Note 3 below)		Sales (Refer Note 4 below)		Year ended	
	March 31, 2009		2009-10		2009-10		2009-10		March 31, 2010	
	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)
Simcards (Refer Note 1 below)	27,847,184	602,211	121,618,363	2,113,609	115,822,752	2,458,631	-	10	33,642,795	257,189
TDMA/PAMA VSATs Assembly sets (Refer Note 2 below)	-	6,646	-	121,153	-	24,836	-	111,193	-	8,465
Internet Modem, Handsets Antennae & others (Refer Note 2 below)	-	12,653	-	552,480	-	449,617	-	122,984	-	6,789
		621,510		2,787,242		2,933,084		234,187		272,443

2008-09

Particulars	Year ended		Purchases		Utilisation (Refer Note 3 below)		Sales (Refer Note 4 below)		Year ended	
	March 31, 2008		2008-09		2008-09		2008-09		March 31, 2009	
	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)	Qty Nos.	Value ('000)
Simcards (Refer Note 1 below)	28,638,046	548,788	78,966,688	1,835,243	79,757,550	1,618,471	-	459	27,847,184	602,211
TDMA/PAMA VSATs Assembly sets (Refer Note 2 below)	-	2,453	-	73,899	-	63,324	-	8,211	-	6,646
Internet Modem, Handsets Antennae & others (Refer Note 2 below)	-	17,366	-	960,285	-	1,010,678	-	138,480	-	12,653
		568,607		2,869,427		2,692,473		147,150		621,510

(1) Closing stock excludes value of simcards issued free of cost

(2) The quantitative information for TDMA / PAMA VSATs, Assembly sets, Modems, handsets antennas and others has not been given since they constitute voluminous small items.

(3) Utilisation includes internal utilisation.

(4) Includes deferred revenue recognized during the year with respect to sim cards.

(5) Utilization includes Provision for diminution in value of closing stock Rs 209,661 thousand (March 31, 2009 Rs 20,827 thousand)

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

a) Details of Investments held as at March 31, 2010

Particulars	As at March 31, 2010 (No. of Units)	As at March 31, 2010 Cost ('000)	As at March 31, 2009 (No. of Units)	As at March 31, 2009 Cost ('000)
Other than Trade (Un Quoted)				
6.02% Certificate of Deposit of ICICI Bank	10,500	1,045,435	-	-
6.00% Certificate of Deposit of ICICI Bank	5,000	497,221	-	-
6.00% Certificate of Deposit of Punjab National Bank	5,000	497,872	-	-
6.20% Certificate of Deposit of Bank of Baroda	5,000	499,146	-	-
6.25% Certificate of Deposit of Canara Bank	5,000	499,231	-	-
6.00% Certificate of Deposit of Canara Bank	4,000	398,232	-	-
6.10% Certificate of Deposit of Canara Bank	4,500	449,100	-	-
5.54% Certificate of Deposit of Canara Bank	5,000	496,683	-	-
6.25% Certificate of Deposit of State Bank of Hyderabad	2,500	249,658	-	-
Investment in India Innovation Fund	1	1,000	-	-
7.30% REC Secured Bonds	30	28,993	30	27,703
7.16% Certificate of Deposit of Axis Bank Ltd	-	-	2,500	247,284
7.23% Certificate of Deposit of Kotak Bank Ltd	-	-	2,500	247,306
6.75% Certificate of Deposit of Allahabad Bank	-	-	5,000	492,800
7.59% Certificate of Deposit of Yes Bank	-	-	2,500	247,407
6.87% Certificate of Deposit of Punjab National Bank	-	-	2,500	244,884
6.00% ICD With Rabo India Finance Limited	-	-	1	250,000
Total (A)		4,662,570		1,757,384
Other than trade (Unquoted)- Government Securities				
National Saving Certificate	18	1,800	18	1,800
Deposits	-	-	-	35
Total (B)		1,800		1,835
Other than Trade (Quoted)- Mutual Funds				
TATA Floater Fund - Growth	340,049,908	4,575,767	31,654,324	406,787
DWS Ultra Short Term Fund - Institutional Growth	245,114,886	2,587,782	19,683,683	201,571
Kotak Floater Long Term - Growth	222,824,916	3,197,880	63,860,748	885,867
IDFC Money Manager Fund - Treasury Plan- Super Inst Plan C - Growth	188,144,674	2,014,697	51,224,769	531,230
ICICI Prudential Ultra Short Term Plan - Super Premium Growth	152,219,277	1,555,538	-	-
Birla Sun Life Short Term Fund - Institutional Growth	91,692,646	1,000,000	8,688,053	88,044
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Plan - Growth	91,023,759	1,410,049	-	-
Reliance Medium Term Fund - Retail Plan -Growth Plan - Growth Option	87,566,726	1,649,968	47,904,440	867,940
Fidelity Ultra Short Term Debt Fund Super Institutional - Growth	86,298,136	987,852	31,284,742	351,982

Particulars	As at March 31, 2010 (No. of Units)	As at March 31, 2010 Cost (Rs '000)	As at March 31, 2009 (No. of Units)	As at March 31, 2009 Cost (Rs '000)
JM Money Manager Fund-Super Plus Plan - Growth	77,564,636	985,640	-	-
Birla Sun Life Saving Fund Institutional - Growth	74,958,621	1,284,706	-	-
IDFC Money Manager Fund - Investment Plan Institutional Plan B - Growth	71,712,605	1,000,000	-	-
Principal Floating Rate Fund FMP-Insti. Option - Growth Plan	69,633,478	1,009,585	-	-
SBI SHF-Ultra Short Term - Institutional Plan - Growth	68,922,285	816,958	-	-
Religare Ultra Short Term Fund - Institutional Growth	68,687,454	847,863	-	-
Canara Robeco Treasury Advantage- Super Institutional Growth Fund	63,823,855	878,140	-	-
HDFC Liquid Fund - Premium Plan - Growth	57,369,840	1,048,592	115,190,391	2,027,711
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Institutional Growth Plan	50,000,000	500,000	-	-
JP Morgan India Treasury Fund - Super Inst. Growth Plan	49,360,963	575,247	35,374,038	401,304
Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth	49,037,841	574,760	-	-
Birla Sun Life Floating Rate - Long Term - INSTL - Growth	46,386,062	500,000	-	-
Kotak Quarterly Interval Plan Series 6 - Growth	43,624,307	500,000	-	-
DWS Insta Cash Fund - Super Institutional Plan Growth	41,956,073	500,307	143,887,898	1,641,502
UTI Fixed Income Interval Fund - Quarterly Plan Series III - Institutional Growth Plan	41,085,310	500,000	-	-
IDFC Cash Fund - Super Inst Plan C-Growth	40,238,152	450,150	-	-
HDFC Cash Management Fund - Treasury Advantage -Wholesale Plan - Growth	38,485,826	750,000	-	-
Kotak Quarterly Interval Plan Series 3 - Growth	29,784,953	350,000	-	-
Sundaram BNP Paribas Ultra Short Term Fund Super Institutional Growth	29,125,111	360,039	-	-
Birla Sun Life Interval Income - INSTL -Quarterly - Series 1-GROWTH	20,000,000	200,000	-	-
LIC MF Income Plus Fund - Growth Plan	18,009,478	220,946	-	-
Kotak Liquid (Institutional Premium) - Growth	17,258,714	321,920	-	-
Birla Sun Life Cash Plus - Instl. Prem. - Growth	16,977,237	250,000	55,092,791	774,748
Canara Robeco Liquid Super Instt Growth Fund	8,943,664	100,000	-	-
L&T Freedom Income STP -Inst.-Cum-Org	6,744,481	100,017	-	-
UTI Floating Rate Fund-Short Term Plan-Institutional Growth Option	3,265,972	3,355,773	-	-
UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	2,270,517	2,772,402	-	-
ICICI Prudential Liquid Plan Super Institutional Growth	1,668,870	226,845	143,331,889	1,858,426
Axis Treasury Advantage Fund - Institutional Growth	730,539	740,433	-	-
UTI Money Market Mutual Fund - Institutional Growth Plan	242,424	250,000	-	-
Tata Liquid Super High Inv. Fund - Appreciation	211,995	360,000	1,329,729	2,155,140
Bharti Axa Treasury Advantage Fund - Institutional Plan - Growth	211,067	223,821	83,861	83,861
ICICI Prudential Flexible Income Plan Premium - Growth	-	-	30,768,095	500,000
Birla Sun Life Medium Term Plan - Instl Growth	-	-	50,000,000	500,000
Principal Cash Management Fund Liquid Option Instl. Prem. Plan - Growth	-	-	7,662,244	103,738
Canara Robeco Floating Rate Short Term Fund Growth Fund	-	-	7,369,197	100,000
Templeton India Treasury Management Account Super Institutional Plan - Growth	-	-	261,789	331,150
Religare Liquid Fund - Super Institutional Growth	-	-	4,321,579	51,929
Fortis Money Plus Institutional Growth	-	-	3,824,517	50,010
UTI Money Market Fund - Growth Plan	-	-	93,850,910	2,303,180
DBS Chola Freedom Income STP-Inst.-Cum-Org	-	-	7,092,508	100,016
Reliance Liquidity Fund-Growth Option	-	-	22,651,083	300,000
Religare Quarterly Interval Fund - Plan F - Growth	-	-	8,846,270	100,000
JM High Liquidity Fund - Super Institutional Plan - Growth	-	-	37,944,996	522,072
UTI Liquid Cash Plan Institutional - Growth Option	-	-	707,797	1,018,788
Sundaram BNP Paribas Money Fund Super Inst. Growth	-	-	8,853,107	162,170
SBI Magnum Insta Cash Fund -Cash Option	-	-	5,264,874	102,353
Bharti Axa Liquid Fund - Super Institutional Plan - Growth	-	-	161,378	164,279
Bharti Axa Short Term Income Fund - Institutional Plan- Growth	-	-	5,000,000	50,000
Tata Liquid Super High Inv. Fund - Appreciation	-	-	35,824	56,208
Total (C)		41,533,673		18,792,006
TOTAL (A) + (B) + (C)		46,198,043		20,551,225

b) Details of trade investments purchased and sold during the year

Trade Investment	Balance as on April 1, 2009		Purchased During the Year		Sale / Redemption	
	Units	(Rs. '000)	Units	(Rs. '000)	Units	(Rs. '000)
Investment in Subsidiaries						
Bharti Hexacom Limited	174,999,980	5,717,628	-	-	-	-
Bharti Infratel Limited	500,000,000	82,181,703	-	-	-	-
Bharti Telemedia Limied *	4,080,000	40,902	5,610,000	73,795	-	-
Network i2i Limited	9,000,000	5,316,039	-	-	-	-
Bharti Airtel Lanka (Private) Limited	525,596,420	2,049,411	-	-	-	-
Bharti Airtel (Canada) Limited	100	4	75,000	3,180	-	-
Bharti Airtel (Hongkong) Limited	4,959,480	26,333	-	-	-	-
Bharti Airtel (Singapore) Private Limited	750,001	20,139	-	-	-	-
Bharti Airtel Holdings (Singapore) Pte Limited @	1	1,106,553	311,000,000	14,141,667	-	-
Bharti Airtel (UK) Limited	123,663	100,612	-	-	-	-
Bharti Airtel (USA) Limited	300	508,971	-	-	-	-
Bharti Airtel Services Limited	100,000	1,000	-	-	-	-
Investment in Subsidiary's Subsidiary						
Bharti International (Singapore) Pte. Ltd %	-	-	3,000	137	-	-
Bharti Airtel International (Netherlands) B.V.**	-	-	200	12	-	-
Investment in Joint Ventures						
Bridge Mobile PTE Limited	2,200,000	92,237	-	-	-	-
Investment in Associates						
Bharti Teleport Limited	1,470,000	14,700	-	-	-	-
Alcatel-Lucent Network Management Services India Limited #	-	-	9,000,004	90,000	-	-
Others						
Investment in IFFCO JV	100,000	50,125	-	-	-	-
Total Trade Investment		97,226,357		14,308,791		-

* Refer Schedule 2 (b) on Schedule 22

@ Refer Schedule 2 (c) on Schedule 22

% Refer Schedule 2 (d) on Schedule 22

** Refer Schedule 2 (e) on Schedule 22

Refer Schedule 2 (a) on Schedule 22

- c) In terms of the approval granted by the Central Government vide its letter No.46/71/2010 dated April 27, 2010 under Section 211(4) of the Companies Act, 1956, the Company has been exempted from the requirement of the disclosure of the movement relating to purchase and sale of other than trade investments.

21. The Company uses various premises on lease to install the equipment. A provision is recognized for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with AS-29 'Provisions, Contingent liabilities and Contingent Assets' notified under Companies Accounting Standards Rules, 2006 ('as amended'), is given below:

Site Restoration Cost:

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Opening Balance	276,653	1,150,541
Addition during the year	64,696	8,984
Transferred under the Scheme of Arrangement	-	(882,872)
Adjustment during the year*	(179,293)	-
Closing Balance	162,056	276,653

* The Company has revised its estimates of provision for Asset Retirement Obligation (ARO) and consequently reversed provision amounting to Rs 179,293 thousand with corresponding reduction in gross block of assets. The change in estimates resulted in lower depreciation and higher profit before tax by Rs 5,657 thousand for the year ended March 31, 2010.

22. Information about Business Segments-Primary

Segment Definitions

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Mobile Services - These services cover telecom services provided through cellular mobile technology wherein a subscriber is connected to the network through wireless equipment. The subscriber can freely roam around anywhere and stay connected wherever the wireless network coverage is available.

Telemedia Services (formerly Broadband and Telephone Services) - These services are provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment (i.e. switch) to subscriber's premises.

Enterprise Services - During the period, effective April 1, 2009, the Company has reported erstwhile 'Enterprise Services - Carrier Segment' and 'Enterprise Services - Corporate Segment' under 'Enterprise Services Segment' in accordance with its accounting policy on segment reporting. These services cover domestic and international long distance services and internet and broadband services. Long distance services are intermediary services provided to the service providers of cellular or fixed line services. Internet and broadband services are used to provide bandwidth and other network solutions to corporate customers.

Other operations - These comprise the unallocated revenues, profits / (losses), assets and liabilities of the Company, none of which constitutes a separately reportable segment. The corporate headquarters' expenses are not charged to individual segments.

For the year ended March 31, 2010

(Rs'000)

Reportable Segments	Mobile Services	Telemedia Services	Enterprise Services	Others	Eliminations	Total
Revenue						
Service Revenue / Sale of Goods and Other Income	292,160,474	32,047,441	32,756,077	28,710	-	356,992,702
Inter Segment Revenue	6,693,437	1,785,517	49,802,121	-	(58,281,075)	-
Total Revenue	298,853,911	33,832,958	82,558,198	28,710	(58,281,075)	356,992,702
Results						
Segment Result, Profit / (Loss)	64,819,700	7,498,542	33,581,590	(7,466,185)	2,365	98,436,012
Net Finance Expense / (Income)	-	-	-	(8,556,474)	-	(8,556,474)
Net Profit / (Loss)	64,819,700	7,498,542	33,581,590	1,090,289	2,365	106,992,486
Provision for Tax						
- Current Tax	-	-	-	19,813,159	-	19,813,159
- MAT Credit	-	-	-	(10,385,866)	-	(10,385,866)
- Fringe Benefit Tax	-	-	-	-	-	-
- Deferred Tax (Credit)/ Charge	-	-	-	3,303,646	-	3,303,646
Net Profit / (Loss) after tax	64,819,700	7,498,542	33,581,590	(22,026,516)	2,365	94,261,547
Other Information						
Segment Assets	211,907,470	52,331,935	94,145,129	174,734,764	-	533,119,298
Inter Segment Assets	182,587,710	12,238,376	122,865,191	-	(317,691,277)	-
Advance tax (Net of provision for tax)	-	-	-	837,329	-	837,329
Advance Fringe Benefit Tax (Net of provision)	-	-	-	13,398	-	13,398
MAT Credit	-	-	-	12,210,996	-	12,210,996
Total Assets	394,495,180	64,570,311	217,010,320	187,796,487	(317,691,277)	546,181,021
Segment Liabilities	84,261,407	8,296,281	29,813,166	56,405,857	-	178,776,711
Inter Segment Liabilities	99,241,048	36,935,605	72,731,342	108,783,282	(317,691,277)	-
Deferred Tax Liability	-	-	-	32,543	-	32,543
Total Liabilities	183,502,455	45,231,886	102,544,508	165,221,682	(317,691,277)	178,809,254
Capital Expenditure	58,530,335	13,683,465	23,528,839	1,018,964	(26,072,204)	70,689,399
Depreciation and amortisation	29,212,679	7,166,355	7,158,475	624,362	(3,182,659)	40,979,212

For the year ended March 31, 2009

(Rs'000)

Reportable Segments	Mobile Services	Telemedia Services	Enterprise Services	Others	Eliminations	Total
Revenue						
Service Revenue / Sale of Goods and Other Income	274,918,524	30,930,923	35,338,973	361,850	-	341,550,270
Inter Segment Revenue	7,814,275	2,184,489	45,896,963	-	(55,895,727)	-
Total Revenue	282,732,799	33,115,412	81,235,936	361,850	(55,895,727)	341,550,270
Results						
Segment Result, Profit / (Loss)	63,994,377	8,149,339	31,471,376	(4,359,883)	-	99,255,209
Net Finance Expense / (Income)	-	-	-	17,639,842	-	17,639,842
Net Profit / (Loss)	63,994,377	8,149,339	31,471,376	(21,999,725)	-	81,615,367
Provision for Tax						
- Current Tax (inclusive of MAT credit)	-	-	-	7,777,310	-	7,777,310
- Fringe Benefit Tax	-	-	-	358,731	-	358,731
- Deferred Tax (Credit)/ Charge	-	-	-	(3,959,059)	-	(3,959,059)
Net Profit / (Loss) after tax	63,994,377	8,149,339	31,471,376	(26,176,707)	-	77,438,385
Other Information						
Segment Assets	218,751,570	50,331,323	77,750,978	140,100,735	-	486,934,606
Inter Segment Assets	121,698,562	16,848,857	90,849,201	458,805	(229,855,425)	-
Deferred Tax Asset	-	-	-	3,271,103	-	3,271,103
Advance tax (Net of provision for tax)	-	-	-	894,226	-	894,226
Total Assets	340,450,132	67,180,180	168,600,179	144,724,869	(229,855,425)	491,099,935
Segment Liabilities	92,405,619	7,928,447	30,130,845	84,195,380	-	214,660,291
Inter Segment Liabilities	57,714,286	47,328,000	56,906,798	67,906,341	(229,855,425)	-
Total Liabilities	150,119,905	55,256,447	87,037,643	152,101,721	(229,855,425)	214,660,291
Capital Expenditure	73,790,902	16,554,505	21,166,341	334,392	(17,264,260)	94,581,880
Depreciation and amortisation	24,097,795	6,034,562	5,190,937	448,558	(1,920,862)	33,850,990

Notes:

1. 'Others' represents the Unallocated Revenue, Profit/(Loss), Assets & Liabilities.
2. Segment results represents Profit/(Loss) before Finance Expenses and tax.
3. Capital expenditure pertains to gross additions made to fixed assets during the year.
4. Segment Assets include Fixed Assets, Capital Work in Progress, Pre-operative Expenses pending allocation, Current Assets and Miscellaneous Expenditure to the extent not written off.
5. Segment Liabilities include Secured and Unsecured Loans, Current Liabilities and Provisions.
6. Inter segment Assets / Liabilities represent the inter segment account balances.
7. Inter segment revenues excludes the provision of telephone services free of cost among group companies. Others are accounted for on terms established by management on arm's length basis. These transactions have been eliminated in consolidation.
8. The accounting policies used to derive reportable segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements. Also refer Note 17 of Schedule 21

Information about Geographical Segment – Secondary

The Company has operations within India as well as with entities located in other countries. The information relating to the Geographical segments in respect of operations within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below :

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
Segment Revenue from external customers based on geographical location of customers (including Other Income)		
Within India	339,040,896	320,749,835
Others	17,951,806	20,800,435
	356,992,702	341,550,270
Carrying amount of Segment Assets by geographical location		
Within India	523,527,581	479,033,684
Others	22,653,438	12,066,251
	546,181,019	491,099,935
Cost incurred during the year to acquire segment assets by geographical location		
Within India	63,683,720	90,844,077
Others	7,005,679	3,737,803
	70,689,399	94,581,880

Notes:

1. 'Others' represents the unallocated revenue, assets and acquisition of segment assets of the Company.
2. Assets include Fixed Assets, Capital Work in Progress, Investments, Deferred Tax Asset, Current Assets and miscellaneous expenditure to the extent not written off.
3. Cost incurred to acquire segment assets pertain to gross additions made to Fixed Assets during the year.

23.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:

List of Related Parties:

Key Management Personnel :

Sunil Bharti Mittal

Manoj Kohli

Sanjay Kapoor (w.e.f. March 1, 2010)

Other Related Parties

Name of the Related Party and Relationship

Subsidiary Companies

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 Limited

Bharti Airtel Holdings (Singapore) Pte Limited

Bharti Airtel (Singapore) Private Limited

Bharti International (Singapore) Pte Limited

(subsidiary of Bharti Airtel Holdings (Singapore) Pte Limited)

Bharti Airtel International (Netherlands) B.V
(subsidiary of Bharti International (Singapore) Pte Limited) *

Warid Telecom International Limited

(subsidiary of Bharti Airtel Holdings (Singapore) Pte Limited)*

Bharti Infratel Lanka (Private) Limited

(subsidiary of Bharti Airtel Lanka (Private) Limited)

Bharti Infratel Ventures Limited

(subsidiary of Bharti Infratel Limited)

Associates

Alcatel-Lucent Network Management Services
India Limited *

Bharti Teleports Limited

Joint Venture/Joint Venture of Subsidiary

Forum I Aviation Limited

Indus Towers Limited

Bridge Mobile Pte Limited

Entities where Key Management Personnel exercises significant influence / Group Companies

Beetel Teletech Limited

(formerly Bharti Teletech Limited)

Bharti Airtel Employees Welfare Trust

(formerly Bharti Tele-ventures 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

(formerly Tamarind Projects Private Limited)

Bharti Realty Limited

(formerly Bharti Realty Private Limited)

Bharti Retail Limited

(formerly Bharti Retail Private Limited)

Bharti Wal-Mart Private Limited

Centum Learning Limited

Comviva Technologies Limited

Fieldfresh Foods Private Limited

(formerly Bharti Del Monte India Private Limited)

Guernsey Airtel Limited

Jataayu Software Limited

(merged with Comviva Technologies Limited
w.e.f 01-04-2008)

Jersey Airtel Limited

Telecom (Seychelles) Limited

Entity having significant influence

Singapore Telecommunications Limited

Pastel Limited

Bharti Telecom Limited

* Refer Note 2 on Schedule 22

Related Party Transaction for 2009-10

Related Party transaction for 2009-10												(Rs '000)
Nature of transaction	Bharti Hexacom Limited *	Bharti Airtel Services Limited	Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holdings (Singapore) Pte Limited	Bharti International (Singapore) Pre Limited	Bharti Airtel International (Netherlands) B.V	Bharti Airtel (Singapore) Private Limited	Bharti Telemedia Limited	
Purchase of fixed assets/Bandwidth	(118,974)	-	-	-	-	-	-	-	-	(3,072,593)	-	
Sale of fixed assets	1,243,029	3,790	-	-	-	-	-	-	-	399,170	38,304	
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	
Rendering of services	4,511,443	14,024	475,422	20,175	8,058	-	-	-	-	21,133	189,831	
Receiving of services	(1,309,981)	(3,719,792)	(164,676)	(102,765)	-	(11,351)	-	-	-	(221,339)	(27,985)	
Management fee (including service tax)	546,724	-	-	-	-	-	-	-	-	-	-	
Fund transferred/includes expenses incurred on behalf of others	6,582,313	3,959,483	-	-	-	-	-	-	-	-	8,824,564	
Fund received/includes expenses incurred on behalf of Company	(8,969,310)	(4,263,149)	-	-	-	-	-	-	-	-	(202,774)	
Employee related transaction incurred on behalf of others	21,841	74,665	-	-	-	-	-	-	-	-	20,471	
Employee related transaction incurred on behalf of Company	(7,942)	(10,923)	-	-	-	-	-	-	-	-	(9,736)	
Salary	-	-	-	-	-	-	-	-	-	-	-	
Donation	-	-	-	-	-	-	-	-	-	-	-	
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-	
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-	
Loan to Related Party	-	-	-	-	-	-	-	-	-	-	-	
Subscription to share capital	-	-	-	-	3,180	-	14,141,667	137	12	-	-	
Interest received on fund transferred	70,595	-	3,306	-	44	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	
Closing balance	183,110	123,703	742,073	(128,068)	11,954	(11,478)	-	-	-	(4,015,630)	14,879,527	
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	
Creditors	-	(201,297)	-	(129,690)	-	(11,478)	-	-	-	(4,015,630)	-	
Loans and Advances	-	325,000	56,151	1,622	554	-	-	-	-	-	14,879,527	
Debtors	183,110	-	685,922	-	11,400	-	-	-	-	-	-	
Closing Balance	183,110	123,703	742,073	(128,068)	11,954	(11,478)	-	-	-	(4,015,630)	14,879,527	
Maximum Loans and Advance	-	-	-	-	-	-	-	-	-	-	-	
Outstanding during the year	1,434,598	325,000	56,151	1,622	554	-	-	-	-	-	14,879,527	
Guarantees and Collaterals	1,207,546	92,784	-	-	-	-	6,640,584	-	-	8,073	493,220	
* Refer Note 27 on Schedule 22												

* Refer Note 27 on Schedule 22

Related Party Transaction for 2009-10

Related Party transaction for 2009-10											
Nature of transaction	Bharti Infratel Limited *	Bharti Airtel Lanka (Private) Limited	Network 12i Limited	Bharti Telecom Limited	Singapore Tele-communications Limited	Pastel Limited	Forum 1 Aviation Limited	Bridge Mobile Pre Limited	Alcatel-Lucent Network Management Services India Limited	Indus Towers Limited	Bharti Wal-Mart Private Limited
Purchase of fixed assets/Bandwidth	-	-	(355,085)	-	-	-	-	-	(280,296)	-	-
Sale of fixed assets	2,233	-	325,104	-	-	-	-	-	156,924	1,722	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	-	48,772	25,229	-	1,353,918	-	-	-	-	58,444	1,436
Receiving of services	(12,356,639)	(28,674)	(264,523)	-	(791,149)	-	(39,132)	(12,572)	(1,646,610)	(19,026,533)	-
Management fee (including service tax)	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/includes expenses incurred on behalf of others	173,881	-	12,660	-	-	-	-	-	-	12,386	2,427
Fund received/includes expenses incurred on behalf of Company	(8,502,248)	-	-	(9,078)	-	-	-	-	(28)	(10,947,887)	-
Employee related transaction incurred on behalf of others	-	-	-	-	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of Company	-	-	-	-	-	-	-	-	(48,234)	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	1,551,100	-	-	-	-	-	-	-	-	5,096,961	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan to Related Party	-	3,712,200	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-	90,000	-	-
Interest received on fund transferred	-	232,654	-	-	-	-	-	-	1,088	-	-
Dividend paid	-	-	-	1,719,972	-	591,319	-	-	-	-	-
Closing balance	234,833	6,209,422	(4,191,200)	-	442,749	-	(1,083)	-	(868,977)	(1,917,749)	3,440
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-
Creditors	(2,032,889)	-	(4,191,200)	-	-	-	(1,083)	-	(868,977)	(7,558,946)	-
Loans and Advances	2,267,722	6,183,649	-	-	-	-	-	-	-	5,641,197	2,004
Debtors	-	25,773	-	-	442,749	-	-	-	-	-	1,436
Closing Balance	234,833	6,209,422	(4,191,200)	-	442,749	-	(1,083)	-	(868,977)	(1,917,749)	3,440
Maximum Loans and Advance	-	-	-	-	-	-	-	-	-	-	-
Outstanding during the year	2,267,722	6,183,649	-	9,078	-	-	-	-	-	5,641,197	2,427
Guarantees and Collaterals	53,938	-	-	-	-	-	-	-	-	-	-
* Refer Note 27 on Schedule 22											

* Refer Note 27 on Schedule 22

Related Party Transaction for 2009-10

Nature of transaction	(Rs '000)									
	Comviva Technologies Limited	Beetel Teletech Limited (formerly Bharti Teletech Limited)	Telecom (Seychelles) Limited	Bharti Realty Limited (formerly Bharti Realty Pvt. Limited)	Guernsey Airtel Limited	Bharti Realty Holdings Limited (formerly Tamarind Project Private Limited)	Fieldfresh Foods Private Limited (formerly Bharti Del Monte India Pvt. Ltd.)	Bharti AXA Life Insurance Company Limited	Bharti Foundation	Bharti Airtel Employees Welfare Trust (formerly Bharti Televentures Employees Welfare Trust)
Purchase of fixed assets/Bandwidth	(2,221)	(677,732)	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-
Rendering of services	6,991	239,455	40,582	-	3,978	-	-	15,215	-	-
Receiving of services	(413,368)	(186,511)	(18,904)	(326,560)	-	(14,354)	-	-	-	-
Management fee (including service tax)	-	-	-	-	-	-	-	-	-	-
Fund transferred/includes expenses incurred on behalf of others	25,889	1,165	2,821	-	-	-	820	-	-	-
Fund received/includes expenses incurred on behalf of Company	-	-	-	(9,253)	-	-	-	-	-	-
Employee related transaction incurred on behalf of others	-	-	-	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of Company	-	-	-	(658)	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	105,519	-
Donation	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	(22,777)
Security deposit/Advances paid	-	-	-	12,275	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-
Loan to Related Party	-	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-	-	-
Interest received on fund transferred	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Closing balance	(29,517)	75,369	4,298	571,518	7,748	8,487	-	250	-	84,588
Unsecured Loan	-	-	-	-	-	-	-	-	-	-
Creditors	(29,517)	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	-	571,518	-	8,487	-	-	-	84,588
Debtors	-	75,369	4,298	-	7,748	-	-	250	-	-
Closing Balance	(29,517)	75,369	4,298	571,518	7,748	8,487	-	250	-	84,588
Maximum Loans and Advance Outstanding during the year	-	-	-	571,518	-	8,487	-	-	-	84,588
Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-

* Refer Note 27 on Schedule 22

Related Party Transaction for 2009-10

Related Party Transaction for 2009-10											(Rs '000)
Nature of transaction	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited (formerly Bharti Retail Private Limited)	Jataayu Software Limited	Bharti Axa General Insurance Company Limited	Bharti Axa Investment Managers Private Limited	Bharti Teleports Limited	Sunil Bharti Mittal	Manoj Kohli	Sanjay Kapoor
Purchase of fixed assets/Bandwidth	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	(73,795)	-	-	-	-	(189,960)	-	-	-	-
Sale of Investments	-	-	-	-	-	-	264,279	-	-	-	-
Rendering of services	47,252	4,867	-	31,472	2,465	-	-	-	-	-	-
Receiving of services	(11,524)	(594)	(488,324)	(901)	-	(7,125)	-	-	-	-	-
Management fee (including service tax)	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/includes expenses incurred on behalf of others	-	227	11,152	11,962	-	-	-	-	-	-	-
Fund received/includes expenses incurred on behalf of Company	(1,388)	(575,622)	-	-	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of others	-	-	-	221	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of Company	(75)	(426)	(8,538)	-	-	-	-	-	234,884	45,276	2,655
Salary	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan to Related Party	-	-	-	-	-	-	-	100,000	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-	-	-	-
Interest received on fund transferred	-	-	-	-	-	-	-	2,066	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	180	487
Closing balance	23,559	1,377	60,072	10,301	(2)	153	-	102,066	(118,800)	(15,728)	(677)
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	(2)	-	-	-	(118,800)	(15,728)	(677)
Loans and Advances	-	-	60,072	-	-	153	-	102,066	-	-	-
Debtors	23,559	1,377	-	10,301	-	-	-	-	-	-	-
Closing Balance	23,559	1,377	60,072	10,301	(2)	153	-	102,066	(118,800)	(15,728)	(677)
Maximum Loans and Advance	-	-	-	-	-	-	-	-	-	-	-
Outstanding during the year	-	-	60,072	-	-	153	-	102,066	-	-	-
Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-	-
* Refer Note 27 on Schedule 22											

* Refer Note 27 on Schedule 22

During the year, the Company has paid in addition of provision made last year Rs 2,784 thousand to Akhil Gupta towards PLI for the year 2008-09

Related Party Transaction for 2008-09

Nature of transaction	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) Pvt. Limited	Bharti Telemedia Limited	Bharti Infratel Limited
Purchase of fixed assets/Bandwidth	(60,269)	(7,073)	-	-	-	-	-	(1,427,039)	-	(10,555)
Sale of fixed assets	1,491,733	408	-	-	-	-	-	-	-	5
Purchase of Investments (Mutual Fund)	-	-	-	-	-	-	-	-	-	-
Sales of Investments (Mutual Fund)	-	-	-	-	-	-	-	-	-	-
Rendering of services	3,659,324	5,379	659,829	12,720	3,751	-	-	46,852	57,201	-
Receiving of services	(1,228,856)	(3,561,983)	(74,510)	(35,280)	-	(162)	-	-	(16,539)	(35,484,173)
Management fee (including service tax)	527,121	-	-	-	-	-	-	-	-	-
Fund transferred/includes expenses incurred on behalf of others	9,155,136	3,273,104	-	-	-	-	-	-	5,665,577	251,308
Fund received/includes expenses incurred on behalf of Company	(9,034,234)	(3,214,358)	-	-	-	-	-	-	(158,089)	(40,701)
Employee related transaction incurred on behalf of others	33,649	2,611	-	-	-	-	-	-	13,892	-
Employee related transaction incurred on behalf of Company	(8,319)	-	-	-	-	-	-	-	(95,700)	(50)
Salary	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	1,985,707
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-
Loan to Related Party	-	-	-	-	-	-	-	-	-	12,544,332
Subscription to share capital	343,062	-	-	13,093	-	-	1,106,553	-	-	-
Interest received on fund transferred	266,820	-	3,374	986	225	-	-	-	-	415,094
Closing balance	4,212,618	546,892	1,063,575	(25,643)	7,409	(162)	-	(1,380,187)	6,356,874	1,355,506
Unsecured Loan	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	(27,418)	-	(162)	-	(1,380,187)	(27,417)	(675,696)
Loans and Advances	1,722,565	-	76,306	1,775	3,570	-	-	-	6,384,291	2,031,202
Debtors	2,490,053	546,892	987,269	-	3,839	-	-	-	-	-
Closing Balance	4,212,618	546,892	1,063,575	(25,643)	7,409	(162)	-	(1,380,187)	6,356,874	1,355,506
Maximum Loans and Advances outstanding during the year	7,058,362	-	76,306	1,775	3,570	-	-	-	6,384,465	11,206,561
Guarantees and Collaterals	849,829	80,629	-	-	-	-	-	-	624,898	1,185

Related Party Transaction for 2008-09

[illegible]

Related Party Transaction for 2008-09

Nature of transaction	Bharti Teletech Limited	Telecom Seychelles Limited	Bharti Realty Private Limited	Guernsey Airtel Limited	Tamarind Project Private Limited	Bharti Del Monte India Private Limited	Bharti AXA Life Insurance Co. Ltd	Bharti Foundation	(Rs '000)	
									Bharti Airtel Employees Welfare Trust (Formerly Bharti Televentures Employees Welfare Trust)	
Purchase of fixed assets/Bandwidth	(1,045,101)	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Purchase of Investments (Mutual Fund)	-	-	-	-	-	-	-	-	-	-
Sales of Investments (Mutual Fund)	-	-	-	-	-	-	-	-	-	-
Rendering of services	102,419 (43,984)	15,064 (12,434)	- (126,293)	4,165	-	-	23,887 (51)	-	-	-
Receiving of services	-	-	-	-	-	-	-	-	-	-
Management fee (including service tax)	-	-	-	-	-	-	-	-	-	-
Fund transferred/includes expenses incurred on behalf of others	1,327	-	-	-	14,622	-	-	-	-	-
Fund received/includes expenses incurred on behalf of Company	(5,737)	-	-	-	-	(447)	-	-	-	-
Employee related transaction incurred on behalf of others	54	-	-	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of Company	-	-	-	-	-	(1,034)	-	(3,079)	-	-
Salary	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	103,079	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	(11,679)	-
Security deposit/Advances paid	-	-	242,591	-	-	-	-	-	-	-
Security deposit/Advances received	(53,600)	-	(188,991)	-	-	-	-	-	-	-
Loan to Related Party	-	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-	-	-
Interest received on fund transferred	-	-	-	-	-	-	-	-	-	-
Closing balance	25,857	738	611,418	10,160	-	447	23,740	-	107,364	-
Unsecured Loan	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Loans and Advances	25,857	738	611,418	10,160	-	447	23,740	-	107,364	-
Debtors	-	-	-	-	-	-	-	-	-	-
Closing Balance	25,857	738	611,418	10,160	-	447	23,740	-	107,364	-
Maximum Loans and Advances outstanding during the year	25,857	738	611,418	10,160	-	447	23,740	-	107,364	-
Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-

Related Party Transaction for 2008-09

[illegible]

24. 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:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
Lease Rentals (Excluding Lease Equalisation Reserve)	34,626,021	27,689,266
Obligations on non cancelable leases :		
Not later than one year	33,279,040	30,102,470
Later than one year but not later than five years	84,316,547	75,778,742
Later than five years	133,690,403	136,829,016
Total	251,285,990	242,710,228

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 100,000 Fiber pair kilometers of dark fiber on indefeasible right of use (IRU) basis for a period of 18 years. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the Profit and Loss Account on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as at March 31, 2010 and accordingly, disclosures required by AS 19 is not provided.
- ii) The future minimum lease payments receivable are:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
Not later than one year	170,158	164,081
Later than one year but not later than five years	438,056	481,121
Later than five years	429,034	554,772
Total	1,037,248	1,199,974

25. Finance Lease - as a Lessee

The Company entered into a composite IT outsourcing agreement, whereby the vendor supplied fixed assets and IT related services to the Company. Based on the risks and

rewards incident to the ownership, the fixed asset and liability are recorded at the fair value of the leased assets at the time of receipt of the assets, since it is not possible for the Company to determine the extent of fixed assets and services under the contract at the inception of the contract. These assets are depreciated over their useful lives as in the case of the Company's own assets.

Since the entire amount payable to the vendor towards the supply of fixed assets and services during the year is accrued, the disclosures as per AS 19 are not applicable.

There are no restrictions imposed on lease arrangements.

26. The breakup of net Deferred Tax Asset/ (Liability) as on March 31, 2010 is as follows:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
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)	4,703,292	4,116,922
Lease Rent Equilization charged in financial statement but allowed as deduction under the Income Tax Act in future years on actual payment basis	1,633,773	796,399
Foreign exchange fluctuation and MTM losses charged in financial statement but allowed as deduction under the Income Tax Act in future years (by way of depreciation and actual realisation, respectively)	737,987	3,649,311
Other expenses claimed as deduction in the financial statement but allowed as deduction under Income Tax Act in future year on actual payment (Net)	887,841	610,483
Gross Deferred Tax Assets	7,962,893	9,173,116
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statement in future years	(7,995,436)	(5,820,367)
Less: Transfer Under the Scheme of Arrangement	-	(79,772)
Add: Acquired Under the Scheme of Merger	-	(1,874)
Gross Deferred Tax Liabilities	(7,995,436)	(5,902,013)
Net Deferred Tax Assets / (Liabilities) (Net)	(32,543)	3,271,103

The tax impact for the above purpose has been arrived at by applying a tax rate of 33.99% being the substantively enacted tax rate for Indian companies under the Income Tax Act, 1961

27. 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 ESOP 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 equity shares at a price of Rs 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 equity shares.

(iii) Pursuant to the shareholders' further 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 options to be granted to employees from time to time on the basis of their performance and other eligibility criteria.

(iv) All above options are planned to be settled in equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The plans existing during the year are as follows:

a) 2001 Plan under the Old Scheme

The options under this plan have an exercise price of Rs 11.25 per share (Post split, refer Note 28 of Schedule 22) and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	20%
	On completion of 24 months	30%
	On completion of 36 months	50%
For options with a vesting period of 42 months:	On completion of 12 months	15%
	On completion of 18 months	15%
	On completion of 30 months	30%
	On completion of 42 months	40%
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

b) 2004 Plan under the Old Scheme.

The options under this plan have an exercise price of Rs 35 per share (Post split, refer Note 28 of Schedule 22) and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

c) Super-pot Plan under the Old Scheme

The options under this plan have an exercise price of Rs Nil per share and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

d) 2006 Plan under the Old Scheme

The options under this plan have an exercise price of Rs 5 per share (Post split, refer Note 28 of Schedule 22) and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 36 months	50%
	On completion of 48 months	50%

e) 2005 Plan under the New Scheme

The options under this plan have an exercise price in the range of Rs 5 to Rs 461 per share (Post split, refer Note 28 of Schedule 22) and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

f) 2008 Plan and Annual Grant Plan (AGP) under the New Scheme

The options under this plan have an exercise price in the range of Rs 590 to Rs 805 per share (Post split, refer Note 28 of Schedule 22) and vest on a graded basis from the effective date of grant as follows:

		2008 Plan	AGP#
	Vesting period from the grant date	Vesting schedule	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	25%	33%
	On completion of 24 months	35%	33%
	On completion of 36 months	40%	33%

The above plan has been withdrawn effective January 1, 2010

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

(Shares in Thousands)	As of March 31, 2010			As of March 31, 2009		
	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)
2001 Plan						
Number of shares under option:						
Outstanding at beginning of year	36	11.25		73	11.25	
Granted	-	-		-	-	
Exercised*	4	11.25		23	11.25	
Cancelled or expired	16	-		14	-	
Outstanding at the year end	16	11.25	0.00 to 2.25	36	11.25	0.00 to 3.25
Exercisable at end of year	16	11.25		36	11.25	
Weighted average grant date fair value/exercise price per option for options granted during the year/ period at less than market value	-	-	-	-	-	-
2004 Plan						
Number of shares under option:						
Outstanding at beginning of year	576	35.00		955	35.00	
Granted	-	-		-	-	
Exercised*	406	35.00		379	35.00	
Cancelled or expired	-	-		-	-	
Outstanding at the year end	170	35.00	0.76 to 1.25	576	35.00	1.76 to 2.25
Exercisable at end of year	170	35.00		576	35.00	
Weighted average grant date fair value/exercise price per option for options granted during the year/ period at less than market value	-	-	-	-	-	-
Superpot Plan						
Number of shares under option:						
Outstanding at beginning of year	12	-		12	-	
Granted	-	-		-	-	
Exercised*	-	-		-	-	
Cancelled or expired	-	-		-	-	
Outstanding at the year end	12	-	1.25	12	-	2.25
Exercisable at end of year	12	-		12	-	
Weighted average grant date fair value/exercise price per value for options granted during the year/ period at less than market value	-	-	-	-	-	-
2006 Plan						
Number of shares under option:						
Outstanding at beginning of year	2,410	5.00		2,785	5.00	
Granted	454	5.00		261	5.00	
Exercised*	640	5.00		36	5.00	
Cancelled or expired	128	-		600	-	
Outstanding at the year end	2,096	5.00	3.17 to 6.77	2,410	5.00	5.07 to 5.35
Exercisable at end of year	357	5.00		68	5.00	
Weighted average grant date fair value/exercise price per value for options granted during the year/ period at less than market value	454	299.93		260.93	263.25	

(Shares in Thousands)	As of March 31, 2010			As of March 31, 2009		
	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)

Scheme 2005

Number of shares under option:

Outstanding at beginning of year	5,998	237.30		7,682	237.30	
Granted	1,323	5.00		-	-	
Exercised	920	128.37		478	134.08	
Cancelled or expired	604	-		1,206	-	
Outstanding at the year end	5,797	192.53	2.44 to 6.34	5,998	237.30	3.44 to 5.92
Exercisable at end of year	2,576	192.53		1,876	237.30	
Weighted average grant date fair value/exercise price per option for options granted during the year/ period at less than market value	1,323	401.40		-	-	

Scheme 2008 & Annual Grant Plan

Number of shares under option:

Outstanding at beginning of period	5,794	331.22		-	-	
Granted	2,566	402.50		6,216	330.36	
Exercised	1	-		-	-	
Cancelled or expired	1,328	-		422	-	
Outstanding at period end	7,031	352.05	5.25 to 6.25	5,794	331.22	6.25 to 6.76
Exercisable at end of period	1,282	352.05		-	-	
Weighted average grant date fair value/exercise price per option for options granted during the year/ period at less than market value	2,566	169.45		6,216	154.44	

*Options have been exercised out of the shares issued to the trust
The weighted average share price during the year was Rs 365.48.

(vi) The fair value of the options granted was estimated on the date of grant using the Black-Scholes / Lattice valuation model with the following assumptions

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Risk free interest rates	6.44% to 7.86%	4.45% to 9.70%
Expected life	48 to 66 months	48 to 60 months
Volatility	36.13% to 37.47%	36.23% to 41.39%
Dividend yield	0.31%	0
Weighted average share price on the date of grant	307.42 to 412.13	308.40 to 416.27

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares became publicly traded, which may be shorter than the term of the options.

(vii) The balance of deferred stock compensation as on March 31, 2010 is Rs 977,748 thousand (March 31, 2009 Rs 824,092 thousand) and total employee compensation cost recognized for the year then ended is Rs 934,185 thousand (March 31, 2009 Rs 646,967 thousand).

(viii) The Company has granted stock options to the employees of the subsidiaries i.e. Bharti Hexacom Limited and Bharti Infratel Limited and the corresponding compensation cost is borne by the Company.

28. Earnings per share (Basic and Diluted):

The board of directors in its meeting held on April 29, 2009 have approved sub-division (share split) of existing equity shares of Rs 10 each into 2 equity shares of Rs 5 each, which was duly approved by postal ballot by the shareholders of the Company on July 11, 2009. Accordingly, EPS for the year ended March 31, 2010 and previous year has been restated, as applicable, below:

Particulars	As at March 31, 2010 (Post Split)	As at March 31, 2009 (Post Split)
Basic and Diluted Earnings per Share :		
Nominal value of equity shares (Rs)	5	5
Profit attributable to equity shareholders (Rs '000) (A)	94,261,547	77,438,385
Weighted average number of equity shares outstanding during the year (B)	3,796,858,204	3,796,210,078
Basic earnings per Share (Rs) (A / B)	24.826	20.399
Dilutive effect on profit (Rs '000) (C)*	(3,172)	2,097
Profit attributable to equity shareholders for computing Diluted EPS (Rs'000) (D)=(A+C)	94,258,375	77,440,482
Dilutive effect on weighted average number of equity shares outstanding during the year (E)*	1,071,751	1,130,094
Weighted Average number of Equity shares and Equity Equivalent shares for computing Diluted EPS (F)=(B+E)	3,797,929,955	3,797,340,172
Diluted earnings per share (Rs) (D/ F)	24.818	20.393

*Diluted effect on weighted average number of equity shares and profit attributable is on account of Foreign Currency Convertible Bonds and Employee Stock Option Plan (ESOP)

29. 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, 2010:

Sr No	Particulars	Notional Value (March 31, 2010)	Notional Value (March 31, 2009)
A	For Loan related exposures *		
a)	Forwards	25,777,373	58,581,419
b)	Options	15,985,406	16,087,384
c)	Interest Rate Swaps	10,965,195	12,572,404
	Total	52,727,974	87,241,206
B	For Trade related exposures *		
a)	Forwards	1,467,050	5,347,203
b)	Options	1,986,160	534,975
	Total	3,453,210	5,882,178
C	Unhedged foreign currency borrowing	22,127,125	34,834,314
D	Unhedged foreign currency payables	17,663,020	28,273,925
E	Unhedged foreign currency receivables	742,125	-

*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 recognized reversal of losses of Rs 42,467 thousand for the year ended March 31, 2010 [recorded reversals of losses for earlier period of Rs 1,835,399 thousand for the year ended March 31, 2009 (including reversal of losses recognised in earlier periods Rs 1,230,080 thousand towards embedded derivatives)]

30. The Board of directors in its meeting held on April 29, 2009 had approved sub-division (share split) of existing equity shares of Rs 10 each into 2 equity shares of Rs 5 each, which was duly approved by postal ballot by the shareholders of the Company on July 11, 2009

31.a) The Board of directors in its meeting held on April 29, 2009 had proposed dividend of Rs 2 per share for the financial year 2008-09, which was duly approved by the shareholders of the Company in the annual general meeting held on August 21, 2009. Accordingly, dividend and tax thereon on shares issued from April 1, 2009 to August 21, 2009 (record date for payment of dividend), has been accounted for

b) Net Dividend remitted in foreign exchange :

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Number of non-resident shareholders	8	NA
Number of equity shares held on which dividend was due (in '000)	424,254	NA
Amount remitted (Rs in '000)	848,508	NA
Amount remitted (USD in '000)	17,423	NA

Dividend of Rs 2 per share (Face value per share Rs 10) was declared for the year 2008-09

32. The Company has undertaken to provide financial support, to its subsidiaries Bharti Airtel Services Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel Hongkong Limited, Bharti Infratel Ventures Limited, Bharti Telemedia Limited, Bharti Airtel (Singapore) Private Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Airtel Lanka (Pvt) Limited and Bharti Airtel (UK) Limited

33. The Board of directors recommended a final dividend of Re 1 per equity share of Rs 5 each (20% of face value) for financial year 2009-10. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company

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

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.

70609

State Code

55

Balance Sheet Date

31-Mar-10

II Capital raised during the year (Amount in Rs thousands)

Public Issue

Nil

Rights Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

III Position of mobilisation and deployment of funds (Amount in Rs thousands)

Total Liabilities

417,793,542

Total Assets

417,793,542

Sources of funds

Paid up Capital

18,987,650

Reserves & Surplus

346,523,215

Secured Loans

394,296

Unsecured Loans

49,994,936

Share Application Money

Pending Allotment

Nil

Employee Stock Options

Outstanding

1,860,902

Application of funds

Net Fixed Assets

296,197,000

Investments

157,733,191

Net Current Assets

(36,136,649)

Miscellaneous Expenditure

Nil

Deferred Tax Asset (Net)

(32,543)

IV Performance of the Company (Amount in Rs thousands)

Turnover

356,095,407

Total Expenditure

250,000,216

Profit / (Loss) Before Tax

106,992,486

Profit / (Loss) After Tax

94,261,547

Earning per Share in Rs

24.83

Dividend Rate

20%

V Generic names of three principal products / services of the company (as per monetary terms)

Item code No. (ITC code)

Not applicable

Product Description

Basic and cellular telephone services, broadband and long distance communication services

On behalf of the Board

Sunil Bharti Mittal
Chairman and Managing Director

Manoj Kohli
CEO (International) &
Joint Managing Director

Place : New Delhi
Date: April 28, 2010

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel &
Company Secretary

Srikanth Balachander
Chief Financial Officer

Consolidated Financial Statements with Auditors' Report

Auditors' Report to The Board of Directors of Bharti Airtel Limited

1. We have audited the attached Consolidated Balance Sheet of Bharti Airtel Limited ('the Company') and its subsidiaries, joint ventures and associates [together referred to as the 'the Group' as described in Note 2 on Schedule 21] as at March 31, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group'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. We report that the consolidated financial statements have been prepared by the Group in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standard (AS) 23, Accounting for investment in associates and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures in Consolidated Financial Statement as notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended). In respect of the consolidated financial statements, we did not audit the financial statements of a joint venture company and a subsidiary, included herein, the Company's share of total assets as at March 31, 2010 of Rs 59,958,606 thousands, revenue (including recovery of power and fuel charges) and net profit for the year then ended of Rs 37,246,412 thousands and Rs 86,933 thousands, respectively, on the basis of amounts reflected in the audited financial statement of these companies and before elimination of inter-company transactions on consolidation. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. Based on our audit and on consideration of the reports of the other auditors on the 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 attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated 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: Gurgaon

Date: April 28, 2010

Consolidated Balance Sheet as at March 31, 2010

(Rs '000)

Particulars	Schedule No.	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	18,987,650	18,982,398
Share Application Money Pending Allotment		-	2,933
Employee Stock Options Outstanding	4,261,794	2,901,620	
Less: Deferred Stock Compensation (Refer Note 22 on Schedule 21 and Note 19 on Schedule 22)	<u>1,642,167</u>	<u>2,619,627</u>	<u>1,495,823</u>
Reserves and Surplus	2	377,181,854	270,888,116
Loan Funds			
Secured Loans	3	49,584,322	14,287,304
Unsecured Loans	4	53,297,098	120,884,165
Deferred Tax Liability (Net)			
(Refer Note 14 on Schedule 21 and Note 18 on Schedule 22)		4,046,897	-
Minority Interest			
(Refer Note 2 on Schedule 21 and Note 9 on Schedule 22)		28,555,329	12,297,540
Total		<u>534,272,777</u>	<u>438,748,253</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	721,163,372	586,616,050
Less: Accumulated Depreciation/ Amortisation		<u>212,672,788</u>	<u>147,129,637</u>
Net Block		508,490,584	439,486,413
Capital Work in Progress (Including Capital Advances)		<u>24,359,372</u>	<u>41,436,526</u>
		532,849,956	480,922,939
Investments			
	6	51,620,710	23,489,524
Deferred Tax Asset (Net)			
(Refer Note 14 on Schedule 21 and Note 18 on Schedule 22)		-	292,978
Current Assets , Loans and Advances			
Inventory	7	483,866	962,676
Sundry Debtors	8	31,824,837	28,997,771
Cash and Bank Balances	9	25,786,322	27,659,715
Other Current Assets	10	732,268	1,552,235
Loans and Advances	11	<u>55,800,023</u>	<u>60,534,722</u>
		114,627,316	119,707,119
Less: Current Liabilities and Provisions			
Current Liabilities	12	151,692,262	168,621,781
Provisions		<u>13,132,943</u>	<u>17,043,399</u>
		164,825,205	185,665,180
Net Current Assets		(50,197,889)	(65,958,061)
Miscellaneous Expenditure			
(To the extent not written off or adjusted)	13	-	873
Total		<u>534,272,777</u>	<u>438,748,253</u>
Statement of Significant Accounting Policies	21		
Notes to the Financial Statements	22		

As per our report of even date

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

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

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

per Prashant Singhal
Partner
Membership No: 93283

Sunil Bharti Mittal
Chairman and Managing Director

Manoj Kohli
CEO (International) &
Joint Managing Director

Place : New Delhi
Date: April 28, 2010

Sanjay Kapoor
CEO (India & South Asia)

Vijaya Sampath
Group General Counsel &
Company Secretary

Srikanth Balachander
Chief Financial Officer

Consolidated Profit and Loss Account for the year ended March 31, 2010

(Rs '000)

Particulars	Schedule No.	For the year ended March 31, 2010	For the year ended March 31, 2009
INCOME			
Service Revenue		417,294,885	372,328,114
Sale of Goods		999,731	1,192,696
		418,294,616	373,520,810
EXPENDITURE			
Access Charges		44,806,463	52,908,719
Network Operating	14	89,123,912	62,465,716
Cost of Goods Sold	15	858,915	998,537
Personnel	16	17,534,371	17,022,941
Sales and Marketing	17	27,896,807	24,473,799
Administrative and Other	18	28,725,570	24,522,970
		208,946,038	182,392,682
Profit before Licence Fee, Other Income, Finance Expenses (Net), Depreciation, Amortisation, Share of Loss in Associates, Charity and Donation and Taxation		209,348,578	191,128,128
Licence fee and Spectrum charges (revenue share)		40,875,218	38,269,861
Profit before Other Income, Finance Expenses (Net), Depreciation Amortisation, Charity and Donation, Share of Loss in Associates, and Taxation		168,473,360	152,858,267
Other Income	19	1,224,744	1,523,814
Finance Expense (Net)	20	(5,029,953)	18,612,828
Depreciation		64,337,218	49,051,901
Less : Amount withdrawn from Reserve for Business Restructuring as per Scheme of Arrangement		(2,343,123)	(2,324,209)
Amortisation		61,994,095	46,727,692
Charity and Donation (Rs 30,000 thousand paid to Satya Electoral Trust for political purposes (March 31, 2009 Rs Nil))		3,549,989	2,911,290
Loss of Associates		181,324	220,141
		48,283	-
Profit before Tax		108,954,366	85,910,130
MAT credit		(11,320,155)	(2,317,983)
[Includes Rs 886,285 thousand for earlier years (March 31, 2009 Rs 1,364,058 thousand)]			
Tax Expenses			
- Current Tax [Includes Rs 1,033,095 thousand for earlier years (March 31, 2009 Rs Nil)]		22,317,715	10,400,288
- Deferred Tax		4,341,623	(3,022,126)
(Refer Note 14 on Schedule 21 and Note 18 on Schedule 22)			
- Fringe Benefit Tax		-	408,131
Profit after Tax before Minority Interest		93,615,183	80,441,820
Minority Interest (Refer Note 2 on Schedule 21 and Note 9 on Schedule 22)		1,983,899	1,852,275
Profit for the year		91,631,284	78,589,545
Transferred from Debenture Redemption Reserve		38,160	4,411
Transferred to General Reserve		7,100,000	6,000,000
Dividend Proposed		3,797,530	3,796,480
Dividend Paid		362	-
Tax on Dividend Proposed / Paid		645,452	645,212
Profit after Appropriation		80,126,100	68,152,264
Profit brought forward (Refer Schedule 2)		188,310,180	120,157,916
Profit carried to Balance Sheet		268,436,280	188,310,180
Earnings per share in Rs (Basic)		24.13	20.70
Earnings per share in Rs (Diluted)		24.13	20.70
(Refer Note 19 on Schedule 21 and Note 20 on Schedule 22)			
Nominal value of share in Rs		5	5
Statement of Significant Accounting Policies	21		
Notes to the Financial Statements	22		

As per our report of even date

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

For S.R. BATLIBOI & ASSOCIATES

Firm Registration No: 101049W

Chartered Accountants

per Prashant Singhal

Partner

Membership No: 93283

Sunil Bharti Mittal
Chairman and Managing DirectorManoj Kohli
CEO (International) &
Joint Managing DirectorPlace : New Delhi
Date: April 28, 2010Sanjay Kapoor
CEO (India & South Asia)Vijaya Sampath
Group General Counsel &
Company SecretarySrikanth Balachander
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2010

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
A. Cash flow from operating activities:		
Net profit before tax	108,954,366	85,910,130
Adjustments for:		
Depreciation	61,994,095	46,727,692
Interest Expense and other Finance Charges	6,365,408	5,030,519
Interest Income	(1,655,282)	(1,858,591)
(Profit)/Loss on Sale of Assets (Net)	430,075	25,735
(Profit)/Loss on sale of Investments	(1,891,323)	(2,592,369)
Amortisation of ESOP Expenditure	1,446,352	894,878
Lease Equalisation / FCCB Premium	1,378,418	1,161,147
Amortisation of Goodwill	850,280	800,355
Provision for Deferred Bonus/ Long Term Service Award	239,969	582,841
Licence fee Amortisation	1,253,358	1,217,408
Bad Debts/Advances Written off	729,936	815,967
Provision for Bad and Doubtful Debts/Advances (Net of write back)	2,766,675	3,002,326
Liabilities / Provisions no longer required written back	(528,124)	(577,057)
Provision for Gratuity and Leave Encashment	311,215	362,092
Provision for Inventory for obsolete/Damaged stock	1,109,753	519,726
Unrealized Foreign Exchange (gain)/loss	(8,509,232)	15,393,148
Provision for Warranty	1,230	(4,470)
Loss from swap arrangements	87,713	65,433
Provision for Wealth Tax (Net)	496	540
Operating profit before working capital changes	175,335,378	157,477,450
Adjustments for changes in working capital :		
- (Increase)/ Decrease in Sundry Debtors	(5,650,072)	(4,817,031)
- (Increase)/ Decrease in Other Receivables	13,444,470	(24,816,570)
- (Increase)/ Decrease in Inventory	260,764	(340,107)
- Increase/ (Decrease) in Trade and Other Payables	(5,497,375)	22,450,023
Cash generated from operations	177,893,165	149,953,765
Taxes (Paid)/Received	(23,328,650)	(12,838,132)
Net cash from operating activities	154,564,515	137,115,633
B. Cash flow from investing activities:		
Purchase of fixed assets	(125,077,287)	(168,589,591)
Proceeds from Sale of fixed assets	6,216,850	1,868,859
Proceeds from Sale of Investments	358,118,406	420,787,078
Purchase of Investments	(384,314,092)	(393,572,466)
Dilution in Equity of Subsidiary Company	-	1,186,499
Interest Received	2,116,272	1,362,657
Purchase of Fixed Deposits (with maturity more than three months)	(17,436,582)	(14,915,238)
Proceeds from Maturity of Fixed Deposits (with maturity more than three months)	27,301,700	300,027
Acquisition/ Subscription/Investment in Subsidiaries/ Associate	(13,956,352)	(181,518)
Net cash (used) in investing activities	(147,031,085)	(151,753,693)

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
C. Cash flow from financing activities:		
Proceeds from fresh issue of Share Capital (including Share Premium)	-	149,400
Issue of Shares under ESOP Scheme (including share application)	164,489	176,058
Proceeds from long term borrowings		
Receipts	42,674,309	27,462,693
Payments	(36,410,116)	(15,288,260)
Proceeds from short term borrowings		
Net movement in cash credit facilities and short term loans	(8,504,888)	12,796,423
Dividend Paid	(3,796,103)	-
Tax on dividend paid	(645,274)	(4,669,973)
Interest Paid	(7,169,731)	-
Gain/(loss) from swap arrangements	(61,911)	22,156
Net cash (used) in financing activities	(13,749,225)	20,648,497
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,215,795)	6,010,437
Opening Cash and Cash Equivalents	12,964,818	6,954,381
Cash Acquired on Acquisition of Warid Telecom International Limited	14,207,520	-
Cash and Cash Equivalents as at year end	20,956,543	12,964,818
Cash and Cash Equivalents comprise:		
Cash and Cheques in hand	361,913	639,948
Balance with Scheduled Banks	25,424,409	27,019,767
Cash & Bank Balances as per schedule 9	25,786,322	27,659,715
Less: - Fixed deposits not considered as cash equivalents	4,829,779	14,694,897
Cash & Cash Equivalents in Cash Flow Statement	20,956,543	12,964,818

Notes :

- Figures in brackets indicate cash out flow
- The above Cash flow statement has been prepared under the Indirect method set out in AS-3 'Cash Flow Statements' notified under the Companies (Accounting Standard) Rules, 2006 (as amended)
- Cash and cash equivalents includes Rs 389,199 thousands pledged with various authorities (March 31, 2009 Rs 96,101 thousands) which are not available for use by the Company. Cash and cash equivalents also includes Rs 739 thousand as unpaid dividend
- During the year, the Group has acquired stake in Alcatel-Lucent Network Management Services India Limited for Rs 90,000 thousand. The Group has further made an investment of Rs 13,912,175 thousand in Warid Telecom International Limited. (Previous year acquisition of equity in Bharti Hexacom Limited at a purchase consideration of Rs 166,818 thousand)
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year's classification

As per our report of even date

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 and Managing Director

Manoj Kohli
 CEO (International) &
 Joint Managing Director

Place : New Delhi
 Date: April 28, 2010

Sanjay Kapoor
 CEO (India & South Asia)

Vijaya Sampath
 Group General Counsel &
 Company Secretary

Srikanth Balachander
 Chief Financial Officer

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 1		
SHARE CAPITAL		
Authorised		
5,000,000,000 (March 31, 2009- 2,500,000,000 of Rs 10 each) Equity Shares of Rs 5 each	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Paid up		
3,797,530,096 Equity Shares of Rs 5 each fully paid up (March 31,2009- 1,898,239,796 Equity Shares of Rs 10 each) [Refer Notes below]	<u>18,987,650</u>	<u>18,982,398</u>
	<u>18,987,650</u>	<u>18,982,398</u>
Notes:		
(a) 49,999,000 and 1,516,390,970 Equity shares issued as fully paid-up bonus shares on February 24, 1997 and September 30, 2001 respectively out of Share Premium account		
(b) 21,474,527 Equity Shares of Rs 10 each (March 31,2009- 21,409,142) allotted as fully paid up upon the conversion of Foreign Currency Convertible Bonds(FCCBs) (refer note no 22 on Schedule 22)		
(c) 2,722,125 Equity Shares (March 31,2009- 2,722,125) are allotted as fully paid up under the Scheme of amalgamation without payments being received in cash		
(d) For Stock options outstanding details (refer note no 22 on Schedule 21 and Note 19 on Schedule 22)		
SCHEDULE : 2		
RESERVES AND SURPLUS		
Securities Premium		
Opening balance	40,146,841	39,889,844
Additions during the year	<u>385,669</u>	<u>256,997</u>
	40,532,510	40,146,841
Revaluation Reserve	21,284	21,284
Debentures Redemption Reserve		
Opening balance	135,547	139,958
Transferred to Profit and Loss Account during the period	<u>(38,160)</u>	<u>(4,411)</u>
	97,387	135,547
General Reserve		
Opening balance	6,000,000	6,000,000
Add : Adjustment on account of forfeiture of ESOP	24,269	-
Add : Transferred from Profit and Loss account	<u>7,100,000</u>	<u>-</u>
	13,124,269	6,000,000
Reserve for Business Restructuring		
Opening balance	22,072,781	24,396,990
Less :Depreciation on Fair Valued Assets transferred to Profit & Loss Account during the period in accordance with the Scheme of Arrangement	<u>(2,343,123)</u>	<u>(2,324,209)</u>
Add : Share of Minority in above	<u>325,982</u>	<u>-</u>
	20,055,640	22,072,781

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 2 (Cont.)		
Profit and Loss Account		
Balance as per Profit and Loss Account	268,436,280	188,310,180
Add : Share of Minority	(322,887)	-
Balance as per Profit and Loss Account	268,113,393	188,310,180
Foreign Currency Translation Reserve		
Opening	224,873	(7,914)
Additions / (Reductions) during the year	(67,175)	232,787
	157,698	224,873
Reserve arising on dilution of Equity in Subsidiary Company		
Opening	13,976,610	13,090,339
Additions (Refer Note 2 (d) on Schedule 22)	21,103,063	1,019,596
Less: Utilization/ Adjustments	-	(133,325)
	35,079,673	13,976,610
	377,181,854	270,888,116
SCHEDULE : 3		
SECURED LOANS		
(Refer Note 13 on Schedule 22)		
Debentures	375,000	500,000
Loans and Advances from Banks and Others :		
- Term Loans	49,089,350	13,770,000
Other Loans and Advances :		
- Vehicle Loans	119,972	17,304
	49,584,322	14,287,304
Note : Amount repayable within one year	3,144,540	134,976
SCHEDULE : 4		
UNSECURED LOANS		
Interest Free, non-cumulative, Convertible Debentures of Rs 10,000 each	-	32,035,500
Short Term Loans and Advances		
From Banks	6,783,782	15,406,584
Other Loans and Advances		
From Banks	20,098,618	39,968,535
From Others	26,414,698	33,473,546
	53,297,098	120,884,165
Note: Amount repayable within one year	16,871,780	37,494,785

Schedules Annexed to and forming part of consolidated Financial Statements

SCHEDULE 5 : FIXED ASSETS

(Refer Notes 3, 4, 5, 10, 16 and 17 on Schedule 21 and Note 8, 14 and 17 on Schedule 22)

(Rs '000)

Particulars	Gross Block Value			Depreciation / Amortisation			Net Block Value	
	As at April 01, 2009	Additions during the year	Sale / Adjustment during the year	As at March 31, 2010	For the year	Sale / Adjustment during the year	As at March 31, 2010	As at March 31, 2009
INTANGIBLE ASSETS								
Goodwill	8,625,374	6,021,136	-	2,136,785	850,280	-	2,987,065	6,488,589
Software	128,453	509,245	-	90,884	74,089	-	164,973	37,569
Bandwidth	3,259,462	511,558	(12,654)	257,831	257,785	(30,590)	546,206	3,001,631
Licence	22,730,427	1,652,820	(262)	11,198,942	1,256,051	(39,194)	12,494,187	11,531,485
TANGIBLE ASSETS								
Leasehold Land	320,771	135,274	1,289	454,756	5,980	628	12,410	313,713
Freehold Land	720,456	629,232	63,642	1,286,046	-	-	-	720,456
Building	3,629,985	1,624,481	(93,237)	5,347,703	219,756	46,674	932,955	2,870,112
Leasehold Improvements	3,040,772	713,051	110,869	3,642,954	507,142	150,096	1,594,145	1,803,673
Plant and Machinery	519,146,870	123,288,758	7,036,350	635,399,278	56,270,349	(1,754,140)	172,166,823	405,004,536
Computers	21,549,170	5,457,745	222,971	26,783,944	4,147,878	208,905	19,198,770	6,289,373
Office Equipment	2,188,096	779,875	177,487	2,790,484	283,507	(60,316)	1,570,575	961,344
Furniture & Fixture	1,061,273	646,248	28,822	1,678,699	181,065	20,742	865,205	356,391
Vehicles	210,682	42,091	8,937	243,836	43,870	11,673	139,092	103,787
Vehicles on Finance Lease	4,259	80,432	410	84,281	-	123	382	3,754
TOTAL	586,616,050	142,091,946	7,544,624	721,163,372	64,097,752	(1,445,399)	212,672,788	439,486,413
Capital Work in Progress (including Capital Advances)	-	-	-	-	-	-	-	-
GRAND TOTAL	586,616,050	142,091,946	7,544,624	721,163,372	64,097,752	(1,445,399)	212,672,788	480,922,939
Previous Year	423,224,108	166,956,224	3,564,282	586,616,050	51,069,664	1,669,682	147,129,637	-

Notes:

- Freehold Land and Building includes Rs 395,825 thousand (March 31, 2009 Rs 14,013 thousand) and Rs 332,137 thousand (March 31, 2009 Rs 297,301 thousand) respectively, in respect of which registration of title in favour of the Company is pending.
- Building includes building on leasehold land Rs 791,340 (March 31, 2009 Rs 496,771 thousand).
- The remaining amortisation period of Goodwill as at March 31, 2010 ranges between 4 to 15 years.
- Capital work in progress includes goods in transit Rs 2,965,950 thousand (March 31, 2009 Rs 2,717,484 thousand) and Capital Advance of Rs 1,332,373 thousand (March 31, 2009 Rs 3,591,436 thousand).
- Computers include Gross Block of assets capitalised under finance lease Rs 17,188,670 thousand (March 31, 2009 Rs 12,338,941 thousand) and corresponding Accumulated Depreciation being Rs 10,435,342 thousand (March 31, 2009 Rs 7,258,050 thousand) WDV of Rs 6,131,638 (Previous year Rs 5,080,891).
- The remaining amortisation period of licence fees as at March 31, 2010 ranges between 5 to 15 years for Unified Access Service Licence and 12 years for Long Distance Licences.
- Sales and Adjustment during the year includes reclassification of class of Assets.

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 6		
INVESTMENTS		
(Refer Note 8 on Schedule 21)		
Current, other than trade, Quoted		
- Mutual Funds	46,849,775	21,665,480
Current, other than trade, Unquoted		
- Deposits and Bonds	4,662,570	1,757,384
Long term, other than trade, Unquoted		
- Government securities	1,823	1,835
Long Term, trade, Unquoted		
Investment in Associates		
Bharti Teleports Limited: 1,470,000 Equity shares (Previous year 1,470,000) of Rs 10 each fully paid up	12,241	14,700
Alcatel Lucent Network Management Services India Limited 9,000,004 Equity shares (Previous year Nil) of Rs 10 each fully paid up (Refer Note 2 (a) on Schedule 22)	44,176	-
Others		
IFFCO Kissan Sanchar Limited : 100,000 (Previous Year 100,000) Equity Shares	50,125	50,125
Total Investments	51,620,710	23,489,524
Aggregate Market Value of Quoted Investments	47,484,314	21,749,914
Aggregate Value of Quoted Investments	46,849,775	21,665,480
Aggregate Value of Unquoted Investments	4,770,935	1,824,044
SCHEDULE : 7		
INVENTORY		
(Refer Note 7 on Schedule 21)		
Stock-In-Trade*	483,866	962,676
	483,866	962,676
* Net of Provision for diminution in value of Rs 277,855 thousand (March 31, 2009 Rs 60,604 thousand)		
SCHEDULE : 8		
SUNDRY DEBTORS		
(Refer Note 6 on Schedule 21 and Note 10 on Schedule 22)		
(Unsecured, considered good unless otherwise stated)		
Debts outstanding		
- Considered good	31,824,837	28,997,771
- Considered doubtful	12,458,385	9,808,977
Less : Provision for doubtful debts	(12,458,385)	(9,808,977)
	31,824,837	28,997,771

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash in Hand	50,906	100,805
Cheques in Hand	311,007	539,143
Balances with Scheduled Banks		
- in Current Account	9,745,446	2,936,766
- in Fixed deposits *	15,381,087	24,079,032
- in Deposit Account as Margin Money	297,876	3,969
	<u>25,786,322</u>	<u>27,659,715</u>
*[Includes Rs 91,323 thousand pledged with various authorities (March 31, 2009 Rs 92,132 thousand)]		
SCHEDULE : 10		
OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposit and on Loan given to Joint Venture	59,752	520,742
Unamortised upfront fees and Deferred Premium	631,826	1,018,596
Others	40,690	12,897
	<u>732,268</u>	<u>1,552,235</u>
SCHEDULE : 11		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	28,057,232	38,192,480
Considered doubtful	4,554,109	4,436,842
Less : Provision	<u>(4,554,109)</u>	<u>(4,436,842)</u>
Balances with Customs, Excise and other Authorities	9,943,592	16,851,395
Advance to ESOP Trust	82,753	105,489
Advance Tax [Net of Provision for tax Rs 50,500,889 thousand (March 31, 2009 Rs 28,241,857 thousand)]	3,291,202	2,246,225
Advance Fringe Benefit Tax [Net of provision for tax Rs 1,012,267 thousand (March 31, 2009 Rs 961,486 thousand)]	20,772	55,310
Advance Wealth Tax [Net of provision for tax Rs 1,091 thousand (March 31, 2009 Rs 839 thousand)]	1,190	694
MAT Credit	14,403,282	3,083,129
	<u>55,800,023</u>	<u>60,534,722</u>

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	As at March 31, 2010		As at March 31, 2009	
SCHEDULE : 12				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors:				
Total outstanding dues of Micro and Small Enterprises	60,280		56,792	
Total outstanding dues of creditors other than Micro and Small Enterprises*	105,451,840	105,512,120	118,812,490	118,869,282
Advance Billing and Prepaid Card Revenue		30,974,230		34,641,872
Interest accrued but not due on loans		288,904		1,093,227
Other Liabilities		5,973,504		5,764,529
Advance Received from customers		631,622		728,759
Security Deposits (Refer note 10 on Schedule 22)		8,311,882		7,524,112
		<u>151,692,262</u>		<u>168,621,781</u>
*Refer Note 16 on Schedule 22 for Loans & Advances to Companies under the same management				
Provisions				
Gratuity (Refer Note 11 on Schedule 21 and Note 6 on Schedule 22)		916,266		698,879
Leave Encashment (Refer Note 11 on Schedule 21 and Note 6 on Schedule 22)		711,809		617,981
Warranty (Refer Note 20 on Schedule 21 and Note 14 (ii) on Schedule 22)		4,288		3,058
Others (Refer Note 14 (i) and 6 (i) on Schedule 22)		7,057,660		11,281,789
Proposed Dividend		3,797,530		3,796,480
Tax on Dividend		645,390		645,212
		<u>13,132,943</u>		<u>17,043,399</u>
		<u>164,825,205</u>		<u>185,665,180</u>
SCHEDULE : 13				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted) (Refer Note 15 on Schedule 21 and Note 19 on Schedule 22)				
Deferred Employee Compensation Expense *				
Opening Balance		-		-
Add: Adjustments during the year		-		(1,351)
Less: Amortisation for the year **		-		(1,351)
		<u>-</u>		<u>-</u>
* Relating to Employee Stock Option Scheme 2001 and 2004				
** Net of stock compensation income of Rs 3,793 thousand (March 31, 2009 Rs 3,682 thousand)				
Premium on Redemption of Debentures				
Opening Balance		873		2,034
Less: Write back during the year		-		588
Less: Amortisation for the year		873		573
		<u>-</u>		<u>873</u>

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE : 14		
NETWORK OPERATING EXPENDITURE		
Interconnect and Port charges	832,775	871,268
Installation	102,445	75,246
Power and Fuel	35,973,766	27,242,982
Rent	24,178,140	11,428,559
Insurance	503,478	212,700
Repairs and Maintenance		
- Plant and Machinery	17,206,787	14,596,872
- Others	2,997,183	2,913,055
Leased Line and Gateway charges	1,242,916	1,218,395
Internet access and bandwidth charges	2,374,258	2,524,918
Others	3,712,164	1,381,721
	<u>89,123,912</u>	<u>62,465,716</u>
SCHEDULE : 15		
COST OF GOODS SOLD		
Opening Stock	962,676	1,142,295
Add : Purchases	3,775,193	3,895,304
Less : Simcard Utilisation	2,680,001	1,811,107
Less : Internal issues / capitalised	715,087	1,265,279
Less : Closing Stock *	483,866	962,676
	<u>858,915</u>	<u>998,537</u>
* Net of Provision for diminution in value of Rs 277,855 thousand (March 31, 2009 Rs 60,604 thousand)		
SCHEDULE : 16		
PERSONNEL EXPENDITURE		
(Refer Note 11 on Schedule 21 and Note 6 on Schedule 22)		
Salaries, Wages and Bonus*	15,661,540	15,145,612
Contribution to Provident and Other Funds	698,118	642,923
Staff Welfare	665,822	746,386
Recruitment and Training	508,891	488,020
	<u>17,534,371</u>	<u>17,022,941</u>
* Excluding amortisation of Deferred ESOP Cost (Refer Note 19(vii) on Schedule 22)		
SCHEDULE : 17		
SALES AND MARKETING EXPENDITURE		
Advertisement and Marketing	6,391,535	7,156,469
Sales Commission and Content Cost	13,672,192	7,243,797
Simcard Utilisation	2,680,001	1,811,107
Others	5,153,079	8,262,426
	<u>27,896,807</u>	<u>24,473,799</u>

Schedules Annexed to and forming part of consolidated Financial Statements

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE : 18		
ADMINISTRATIVE AND OTHER EXPENDITURE		
Legal and Professional	2,428,422	6,585,414
Rates and Taxes	523,897	177,222
Power and Fuel	796,378	627,045
IT and Call center Outsourcing	11,306,744	6,837,202
Traveling and Conveyance	1,241,952	1,326,528
Rent	1,848,810	1,241,532
Repairs and Maintenance		
- Building	201,819	210,723
- Others	539,734	448,311
Insurance	110,230	32,665
Bad debts written off	729,936	815,967
Provision for doubtful debts and advances	2,766,675	3,002,326
Provision for Diminution in Stock/ CWIP/Security Deposit	902,419	519,726
Collection and Recovery expenses	2,974,331	1,882,834
Loss on sale of assets (net)	430,075	25,735
Miscellaneous expenses	1,924,148	789,740
	28,725,570	24,522,970
SCHEDULE : 19		
OTHER INCOME		
Liabilities/ Provisions no longer required written back	528,124	577,057
Miscellaneous	696,620	946,757
	1,224,744	1,523,814
SCHEDULE : 20		
FINANCE EXPENSE / (INCOME) (NET)		
Interest :		
- On Term Loan	2,907,374	2,693,821
- On Debentures	118,493	58,457
- On Others	1,469,046	44,961
Amortisation of Premium on Redemption of FCCBs	957	573
Other Finance Charges	1,870,495	2,233,280
Exchange fluctuation (gain) / loss (Net)	(7,937,426)	17,967,263
Loss from swap arrangements (Net)	87,713	65,433
	(1,483,348)	23,063,788
Less : Income		
Profit on sale of Current Investments (other than trade)	1,891,323	2,592,369
Interest Income		
- from Current Investments and Fixed Deposits (Other than Trade)		
[Gross of TDS Rs 129,695 thousand (March 31, 2009 Rs 135,553 thousand)]	609,950	887,618
- from other advances	204,198	8,742
- Other Finance Income	841,134	962,231
[Gross of TDS Rs 99,618 thousand (March 31, 2009 Rs 120,558 thousand)]		
	3,546,605	4,450,960
	(5,029,953)	18,612,828

Schedules Annexed to and forming part of consolidated Financial Statements

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

SCHEDULE : 21

The significant accounting policies adopted by Bharti Airtel Limited ('Bharti Airtel' or the Company) and its subsidiaries, joint ventures, and associates (hereinafter referred to as the "Group") in respect of these Consolidated Financial Statements, are set out below.

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared to comply in all material respects with notified accounting standards by Companies (Accounting Standards) Rules, 2006, ('as amended') and the relevant provisions of the Companies Act, 1956 to reflect the financial position and the results of operations of the Group. These consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting and reporting requirements of Accounting Standard ('AS') 21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27, Financial Reporting of Interests in Joint Ventures notified under Companies (Accounting Standards) Rules, 2006, ('as amended') and consolidated as per Para 2 below for the year ended March 31, 2010. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

2. PRINCIPLES OF CONSOLIDATION

These accounts represent consolidated accounts of the Group and its majority owned subsidiaries, joint ventures and Investment in associates as follows:

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at March 31, 2010
Bharti Airtel (Singapore) Private Limited	Singapore	International calling services and wholesale switching data products	Subsidiary	100%
Bharti Airtel Lanka (Pvt) Limited	Sri Lanka	Mobile Services	Subsidiary	100%
Network i2i Limited	Mauritius	Submarine Cable System	Subsidiary	100%
Bharti Airtel Holdings (Singapore) Pte Limited	Singapore	Investments	Subsidiary	100%
Bharti Infratel Limited (Infratel)	India	Passive Infrastructure for Mobile Services	Subsidiary	86.09%
Bharti Airtel (Canada) Limited	Canada	International calling services and wholesale switching data products	Subsidiary	100%
Bharti Hexacom Limited ('BHL')	India	Cellular Mobile and Broadband and fixed Telephone Services	Subsidiary	70%
Bharti Airtel Services Limited ('BASL') (erstwhile Bharti Comtel Limited)	India	Manpower support to Bharti Airtel and VSAT equipment trading	Subsidiary	100%
Bridge Mobile Pte Limited	Singapore	Mobile Services	Joint Venture	10.00%
Forum I Aviation Limited	India	Buy, sell, lease, hire, maintain, operate and run Aircrafts / Helicopters etc.	Joint Venture of Bharti Airtel Services Limited	14.28%
Bharti Telemedia Limited ('BTML') [Refer Note 2 (c) on Schedule 22]	India	Direct- to - Home Services	Subsidiary	95%
Bharti Airtel (USA) Limited	United States of America	International calling services and wholesale switching data products	Subsidiary	100%
Bharti Airtel (UK) Limited	United Kingdom	International calling services and wholesale switching data products	Subsidiary	100%
Bharti Airtel (Hong Kong) Limited	Hong Kong	International calling services and wholesale switching data products	Subsidiary	100%
Indus Towers Limited (Indus)	India	Passive Infrastructure Services	Joint Venture of Bharti Infratel Limited	42%*

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at March 31, 2010
Bharti Infratel Lanka Private Limited	Sri Lanka	Passive Infrastructure Services	Subsidiary of a Subsidiary	100%
Bharti Infratel Ventures Limited	India	Passive Infrastructure Services	Subsidiary of Bharti Infratel Limited	100%*
Bharti Teleports Limited	India	Uplinking Channels for Broadcaster	Associate	49%
Alcatel Lucent Network Management Services India Limited	India	Telecommunication network operations and transformation services	Associate	26%
Bharti International (Singapore) Pte. Ltd	Singapore	Investments	Subsidiary	100% #
Warid Telecom International Ltd	Bangladesh	Mobile Services	Subsidiary	70% #
Bharti Airtel International (Netherlands) B.V.	Netherland	Investments	Subsidiary	100% @

* Represents holding of Bharti Infratel Limited

Represents holding of Bharti Airtel Holdings (Singapore) Pte Limited.

@ Represents holding of Bharti International (Singapore) Pte Limited.

- For the purpose of this consolidation, jointly owned entities, where Bharti Airtel or its subsidiaries own directly or indirectly more than 50 percent of voting rights of a Company's share capital, have been accounted for as subsidiaries.
- The equity and net income attributable to minority shareholders' interest are shown separately in the Balance Sheet and Profit and Loss Account, respectively. Reserves arising on dilution of equity in a subsidiary company is shown separately as 'Reserve arising on dilution of Equity in Subsidiary Company' under the head 'Reserves and Surplus'.
- The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.
- The Group's interests in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for investments in associates in consolidated financial statements".
- Inter-Company balances have been eliminated in the consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances..

3. GOODWILL

Goodwill is stated as an excess of the purchase consideration over Bharti Airtel's interest in the net identifiable assets acquired. Goodwill is carried at cost less accumulated amortisation and is amortised on a straight-line basis over the remaining period of the service licence of the acquired Company. In case the acquired company does not have a Licence, Goodwill is amortised over 10 year period from the date of acquisition.

4. FIXED ASSETS

Fixed 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 capitalised when it is probable that an outflow of resources will be required to

settle the obligation and a reliable estimate of the amount can be made.

The intangible component of license fee payable by the Group for cellular and basic circles, upon migration to the National Telecom Policy (NTP 1999), i.e. Entry Fee, has been capitalised as an asset and the one time license fee paid by the Group for acquiring new licences (post NTP-99) (basic, cellular, national long distance and international long distance services) has been capitalised as an intangible asset.

5. DEPRECIATION / AMORTISATION

Depreciation on fixed assets is provided on the straightline method based on useful lives of respective assets as estimated by the management or at the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher. Leasehold land is amortised over the period of lease. The leasehold improvements are amortised over the remaining period of lease or the useful

lives of assets, whichever is shorter. Depreciation rates adopted by the Company are as follows:

	Useful lives
Leasehold Land	Period of lease
Building	20 years
Building on Leased Land	20 years or period of lease, whichever is lower
Leasehold Improvements	Period of lease or 10 years, whichever is lower
Plant & Machinery	3 to 20 years
Computer & Software	3 years/ 5 years
Office Equipment	2 years/5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Customer Premises Equipment	Over Estimated Subscriber Life

Software up to Rs 500 thousand is written off in the financial year placed in service.

Bandwidth capacity is amortised on straight line basis over the period of the agreement subject to a maximum of 18 years.

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.

The site restoration cost obligation capitalised is depreciated over the period of the useful life of the related asset, or balance lease period as applicable.

Fixed Assets costing upto Rs 5 thousand are being fully depreciated within one year from the date of acquisition, other than Customer Premises Equipments which are depreciated over the estimated subscriber life.

6. 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 charges recovered from other operators, and is net of discounts and waivers. 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.

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 (Erstwhile Broadband & Telephone Services)

Service revenue is recognised on completion of provision of 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. Service Revenue includes access charges recovered from other operators, and is net of discounts and waivers.

Enterprise Services (Erstwhile Enterprise Services – Carrier Segment and Enterprise Services - Corporate Segment)

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

Passive Infrastructure Services

Service income includes revenue from use of sites/assets and reimbursement of energy charges, rent, security and maintenance charges. Revenue for use of sites is recognised as and when the services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increase is recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.

Others

Service revenue is recognised on completion of provision of services and on transfer of all significant risks and rewards to the customers and when no significant uncertainty exists regarding realisation of the consideration.

Activation Income

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

Subscription Revenue & Other Services

Subscription revenue from DTH subscription services is

recognised over the period of service net of service tax and entertainment tax.

Pay per view revenue is recognised when the event is viewed.

For Other Services, Revenue is recognised on the completion of Provision of Services.

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

The group provides for receivables outstanding for more than 105 days for site sharing debtors for passive infrastructure.

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

Accrued Billing revenue

Accrued billing revenue represents revenue recognised 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.

7. INVENTORY

Inventory is valued at the lower of cost and net realisable value. Cost is determined on First in First out basis. Net realizable value is the estimated selling price in the ordinary course of business 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.

8. INVESTMENTS

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

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

9. LICENCE FEES – REVENUE SHARE

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

10. FOREIGN CURRENCY TRANSLATION, ACCOUNTING FOR FORWARD CONTRACTS & 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 period/year, or reported in previous financial statements, are recognised as income or as expenses in the period/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 & plain vanilla currency options for establishing the amount of reporting currency and not intended for trading & speculation purposes, are recognised in the Profit & Loss account in the year in which the exchange rate changes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

Exchange difference on forward contracts which are taken to establish the amount other than the reporting currency arising due to the difference between forward rate available at the reporting date for the remaining maturity period and the contracted forward rate (or the forward rate last used to measure a gain or loss on the

contract for an earlier period) are recognised in the Profit and Loss Account for the period/year.

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

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

Embedded Derivative Instruments

The Group 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 Group 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 period/year end, all outstanding embedded derivative instruments are fair valued on marked-to-market basis and any loss on valuation is recognised in the Profit & Loss account for the period/year. Any reduction in mark-to-market valuations and reversals of such reductions are included in profit and loss statement of the period/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 Group 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 loss on such valuation is recognised in the Profit & Loss Account for the year.

11. EMPLOYEE BENEFITS

- (a) Short term employee benefits are recognised in the year during which the services have been rendered.
- (b) All employees of the Group 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 Group are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

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

- (c) Some employees of the Group are entitled to superannuation, a defined contribution plan which is administered through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recorded as an expense as incurred.
- (d) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (e) The Group 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 Group. The Group provides for the Gratuity Plan based on actuarial valuation as per the Projected Unit Credit Method in accordance with Accounting

Standard 15 (revised), "Employee Benefits". The Group 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 financial year. The actuarial valuation is done as per projected unit credit method.
- (g) Actuarial gains and losses are recognised as and when incurred.

12. PRE-OPERATIVE EXPENDITURE

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

13. LEASES

- a) Where the Group is the lessee

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

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

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 Group is the lessor

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

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

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

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

14. TAXATION

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

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured at each balance sheet date based on the tax rates and the tax laws enacted or substantively enacted. Deferred tax assets and deferred tax liabilities across various countries of operation are not set-off against each other as the Group does not have a legal right to do so. Deferred tax assets are recognised 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 Group 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. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the period / year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Group 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 Group will pay normal Income Tax during the specified period.

Finance Act 2009, abolished 'Fringe Benefit Tax' effective April 1, 2009. Accordingly, the group has not accounted for fringe benefit tax.

15. MISCELLANEOUS EXPENDITURE

Premium on redemption of debentures is recognised as an expense in the Profit and Loss Account over the period of the related contract.

16. BORROWING COST

Borrowing cost attributable to the acquisition or construction of a qualifying asset 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.

17. IMPAIRMENT OF ASSETS

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

18. SEGMENTAL REPORTING

a) Primary Segment

The Group operates in four primary business segments viz. Mobile Services, Telemedia Services, Enterprise Services (Erstwhile Enterprises Services 'Carrier' and Enterprise Services 'Corporate') and Passive Infrastructure Services.

b) Secondary Segment

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

19. EARNINGS PER SHARE

The earnings considered in ascertaining the Group's Earnings per Share ('EPS') comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The weighted average number of equity shares

outstanding during the year is adjusted for the events of share splits/bonus issue post period 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 period are adjusted for events of bonus issue; bonus element in a rights issue to the existing shareholders; share split; and reverse share split (consolidation of shares).

20. WARRANTY & ASSET RETIREMENT OBLIGATIONS (ARO)

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

21. PROVISIONS

Provisions are recognised when the Group 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.

22. EMPLOYEE STOCK OPTIONS OUTSTANDING

Employee Stock options outstanding are valued using Black Scholes /Lattice valuation option – pricing model and the fair value is recognised as an expense over the period in which the options vest.

23. CASH AND CASH EQUIVALENTS

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

Schedules Annexed to and forming part of consolidated Financial Statements

SCHEDULE: 22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

1. Background

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

2. New Operations

- a) Alcatel-Lucent Network Management Services India Limited ('ALNMSIL') was incorporated with the principal business of developing an efficient and cost effective platform and vehicle to provide managed services to the Group. On July 28, 2009, the Company subscribed to 9,000,004 equity shares in ALNMSIL for an aggregate consideration of Rs 90,000 thousand towards 26% stake.
- b) On January 20, 2009, Bharti Infratel Limited, in the Board Meeting held on January 20, 2009, had approved for the demerger of undertaking comprising of Passive Telecom infrastructure of the Company in certain telecom circles and merge thereof with Bharti Infratel Ventures Limited, a wholly owned subsidiary of the Company through Scheme of Arrangement. The Company has filed requisite scheme of arrangement with the Hon'ble High Court of Delhi on July 7, 2009. Pending approval from the High Court, no effect of such scheme has been given in these financials.
- c) On June 5, 2007, Bharti Airtel Limited acquired 40% equity shares of Bharti Telemedia Limited (BTML) and became holding company of the BTML based on control over composition of Board of Directors. On October 23, 2009, the Company has acquired additional 55% equity shares for a consideration of Rs. 73,795 thousand from Bharti Enterprises Limited resulting into 95% total equity interest in BTML.
- d) During the year ended March 31, 2010, Bharti Infratel has converted 118,650 Interest Free Unsecured Convertible Debentures into 1,182,270 equity shares of Rs 10 each at a premium of Rs 993.578 per share. The remaining 3,084,900 Interest Free Unsecured Convertible Debentures have been converted into 39,120,640 equity shares of Rs 10 each at a premium of Rs 778.561 per share. The said conversion has been approved by the Board of Directors vide a resolution passed by circulation on March 26, 2010. The price per share has been arrived at a valuation determined on the basis of the agreement with the investors.
- e) On February 25, 2010, the Group acquired 70% of the Equity in Warid Telecom International Limited, Bangladesh ('Warid'), at a consideration of USD 300,100 thousand (Rs 13,912,175 thousand) through

downstream investment in Warid of USD 300 Million and recognised goodwill of Rs 5,947,342 thousand in the Consolidated Financial Statements. The principal activity of the Warid Telecom International Limited is to operate nationwide GSM Cellular Mobile System in Bangladesh.

The detail of net assets and goodwill on the date of acquisition is set out below:

(Rs'000)	
Particulars	Amount
Purchase Consideration	13,912,175
Net Assets on the date of acquisition	7,964,833
Goodwill on Acquisition	5,947,342

- f) On March 18, 2010, Bharti International (Singapore) Pte. Ltd has been incorporated as a subsidiary of Bharti Airtel Holdings (Singapore) Pte. Ltd, with an intention of consolidating business interest in Singapore and investment in overseas ventures. Bharti Airtel Holdings (Singapore) Pte. Ltd holds 98.52% stake in the newly incorporated entity and remaining 1.48% stake is held by the ultimate parent company, Bharti Airtel Limited.
- g) On March 19, 2010, Bharti Airtel International (Netherlands) B.V., has been incorporated with an intention of creating a hub for the international mobile operations of the Company. Bharti International (Singapore) Pte. Ltd, holding Company holds 98.90% and remaining 1.10% stake is held by the ultimate parent company Bharti Airtel Limited.
- h) On March 30, 2010, the Company has entered into a definitive agreement with Zain Group to acquire Zain Africa BV (Zain) for an enterprise valuation of USD 10.7 bn. The Company, through its overseas wholly owned subsidiary companies, will acquire Zain's African mobile services operation in 15 countries with a total subscriber base of over 42 million. These parties are in process of completing the transaction.
- i) In April 2010, the Company has incorporated a wholly owned subsidiary, Airtel M Commerce Services Limited and has invested Rs 20,000 thousand in its 2,000,000 equity shares of Rs 10 each.

3. Contingent Liabilities

- a) Total Guarantees outstanding as at March 31, 2010 amounting to Rs 32,458,490 thousand (March 31, 2009 Rs 22,482,772 thousand) have been issued by banks and financial institutions on behalf of the Group.

Corporate Guarantees outstanding as at March 31, 2010 amounting to Rs 8,498,147 thousand (March 31, 2009 Rs 1,576,542 thousand) have been given to

banks and financial institutions on behalf of Group Companies.

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

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
- Sales Tax (see 3 (c) below)	1,347,862	405,526
- Service Tax (see 3 (d) below)	2,095,343	684,937
- Income Tax (see 3 (e) below)	5,756,856	2,005,446
- Customs Duty (see 3 (g) below)	2,447,080	2,289,442
- Stamp Duty	574,861	594,685
- Entry Tax (see 3 (h) below)	3,032,331	1,556,436
- Municipal Taxes	1,734	3,327
- Access Charges (see 3 (f) below)	1,283,087	2,210,023
- DoT demands	712,095	580,933
- Other miscellaneous demands	109,366	66,034
(ii) Claims under legal cases including arbitration matters	498,754	582,524
	17,859,369	10,979,313

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

c) Sales tax

The claims for sales tax as of March 31, 2010 comprised the cases relating to:

- the appropriateness of the declarations made by the Group under the relevant sales tax legislations which was primarily procedural in nature;
- the applicable sales tax on disposals of certain property and equipment items;
- lease circuit/ broad band connectivity services;
- the applicability of sales tax on sale of SIM cards, recharge coupons, SIM replacements, VAS and Handsets and Modem rentals; and
- In the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. The Company, believes, that there would be no liability that would arise from this matter.

d) Service tax

The service tax demands as of March 31, 2010 relate to:

- roaming revenues charged from other operators;
- subscriber receivables written off; and
- cenvat claimed on tower and related material.

e) Income tax demand under appeal

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.

The management believes that, based on legal advice, it is probable that its tax positions will be sustained and, accordingly, recognition of a reserve for those tax positions will not be appropriate.

f) Access 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 Group to pay the interconnect charges at the rates contrary to the guidelines issued by TRAI. The Group 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 Group.

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

g) Customs duty

The custom authorities, in some states, demanded Rs 2,289,442 thousand as of March 31, 2010 (March 31, 2009 - Rs 2,289,442 thousand) 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 Group is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. The management is of the view that the probability of the claims being successful is remote.

The custom authorities in Bangladesh, has demanded Rs 157,638 thousand as of March 31, 2010 for dispute in the valuation for levying the custom duty. The management is of the view that the probability of the claims being successful is remote.

h) 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 Group 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 Group, the material proposed to be taxed not covered under the specific category. The amount under dispute as of March 31, 2010 was Rs 3,032,331 thousand (March 31, 2009 - Rs 1,556,436 thousand) included in Note 3 (b) above.

i) DoT Demands

- The Group 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. DoT has reviewed and revised the criteria now and the Group is not expecting any penalty on this account.

- ii) DoT demands also include demands raised for contentious matters relating to computation of license fees.

j) Others

Others mainly include disputed demands for entertainment tax, consumption tax, property 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 favorable and that a loss is not probable. No amounts have been paid or accrued towards these demands.

k) Bharti Mobinet Limited ('BMNL') litigation

Bharti Airtel is currently in litigation with DSS Enterprises Private Limited (DSS) (0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) for an alleged claim for specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to Bharti Airtel. The case filed by DSS to enforce the sale of equity shares before the Delhi High Court had been transferred to District Court and was pending consideration of the Additional District Judge. This suit was dismissed in default on the ground of non-prosecution. DSS had filed an application for restoration of the suit but has subsequently withdrawn the restoration application. In respect of the same transaction, Crystal Technologies Private Limited ('Crystal'), an intermediary, has initiated arbitration proceedings against the Company demanding Rs 194,843 thousand 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 Learned Arbitrator has partly allowed the award for a sum of Rs 31,222 thousand, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) included in Note 3 (b) above and a further 18% interest from date of award to date of payment. The Company has filed an appeal against the said award. Hon'ble Delhi High Court, on October 28, 2009 has directed both the parties to file their submission before the hearing on May 7, 2010.

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 suit was subsequently dismissed as frivolous, which has been appealed to in the Delhi High Court by DSS and subsequently transferred to District Court. DSS has also

initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay has been granted by the Delhi High Court with respect to the commencement of arbitration proceedings. The stay has been made absolute. Further against the above Order of Single Judge, DSS filed an appeal before the Division Bench of Delhi High Court. The matter has been admitted, whereafter the matter reached for arguments and was dismissed on account of non prosecution.

The liability, if any, of Bharti Airtel arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with Bharti Airtel, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of Rs 10 each (5,444,250 equity shares of Rs 5 each post split) bringing the share of DSS in Bharti Airtel down to 0.14% as at March 31, 2009.

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

4. Export Obligation

The Group 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 Group 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 Group is required to export goods and services of FOB value of Rs 1,002,766 thousand (March 31, 2009 Rs 2,596,473 thousand) by February 22, 2018.

- 5. a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) Rs 15,684,080 thousand as at March 31, 2010 (March 31, 2009- Rs 29,526,399 thousand).
- b) Under the IT Outsourcing Agreement, the Group has commitments to pay Rs 6,597,050 thousand as at March 31, 2010 (March 31, 2009 - Rs 7,563,213 thousand) comprising of finance lease and service charges. In addition, the future monthly rentals under this contract are determined on a revenue share basis over the non-cancellable period of the agreement.

6. Employee benefits

- (a) During the year, the Group has recognized the following amounts in the Profit and Loss Account

Defined Contribution Plans

Particulars	(Rs '000)	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Employer's Contribution to Provident Fund *@	689,960	617,843
Employer's Contribution to Super annuation Fund #	100	2,162
Employer's Contribution to ESI *	8,158	25,080

* Included in Contribution to Provident and Other Funds (Refer Schedule 16)

Included in Salaries, Wages and Bonus (Refer Schedule 16)

@ Includes Contribution to Defined Contribution Plan for Key Managerial Personnel

Defined Benefit Plans

Gratuity liability and leave encashment liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

For the Year ended March 31, 2010

Particulars	Gratuity #			Leave Encashment #
	Funded	Unfunded	Total	Unfunded
Current service cost	100,236	130,681	230,917	206,284
Interest cost	38,752	19,749	58,501	46,349
Expected Return on plan assets	(6,085)	-	(6,085)	-
Actuarial (gain) / loss	11,098	119,672	130,770	145,593
Past service cost	-	-	-	-
Curtailement and Settlement cost / (credit)	-	-	-	-
Net gratuity/Leave encashment cost	144,001	270,102	414,102	398,225

For the Year ended March 31, 2009

Particulars	Gratuity #			Leave Encashment #
	Funded	Unfunded	Total	Unfunded
Current service cost	141,233	68,969	210,202	214,135
Interest cost	25,169	12,293	37,462	39,434
Expected Return on plan assets	(5,288)	-	(5,288)	-
Actuarial (gain) / loss	124,534	6,484	131,018	56,308
Past service cost	-	-	-	-
Curtailement and Settlement cost / (credit)	-	-	-	-
Net gratuity/Leave encashment cost	285,648	87,746	373,394	309,877

included in Salaries, Wages and Bonus (Refer Schedule 16)

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

Particulars	Gratuity	Leave Encashment
Discount Rate	7.50%	7.50%
Expected Rate of increase in Compensation levels	8.00%	8.00%
Expected Rate of Return on Plan Assets	7.50%	N.A.
Expected Average remaining working lives of employees (years)	26.80 years	26.80 years

Previous year assumptions:

Particulars	Gratuity	Leave Encashment
Discount Rate	7.50%	7.50%
Expected Rate of increase in Compensation levels		
- 1st Three Years	15.00%	15.00%
- Thereafter	7.00%	7.00%
Expected Rate of Return on Plan Assets	7.50%	N.A.
Expected Average remaining working lives of employees (years)	27.74 years	27.74 years

c) Reconciliation of opening and closing balances of benefit obligations and plan assets

For the Year ended March 31, 2010

(Rs '000)

Particulars	Gratuity			Leave Encashment
	Funded	Unfunded	Total	Unfunded
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	516,698	263,318	780,016	617,981
Current service cost	100,236	130,681	230,917	206,284
Interest cost	38,752	19,749	58,501	46,349
Benefits paid	-	(259,509)	(259,509)	(326,623)
Acquisition adjustment	-	62,794	62,794	22,225
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Past service cost	-	-	-	-
Actuarial (gain) / loss	5,013	119,672	124,684	145,593
Projected benefit obligation at year end	660,699	336,705	997,404	711,809
Change in plan assets :				
Fair value of plan assets at beginning of year	81,137	-	81,137	-
Expected return on plan assets	6,085	-	6,085	-
Actuarial gain / (loss)	(6,085)	-	(6,085)	-
Employer contribution	-	-	-	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at year end	81,137	-	81,137	-
Net funded status of the plan	(579,562)	(336,705)	(916,266)	(711,809)
Net amount recognized	(579,562)	(336,705)	(916,266)	(711,809)

For the Year ended March 31, 2009

(Rs '000)

Particulars	Gratuity			Leave Encashment
	Funded	Unfunded	Total	Unfunded
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	354,577	144,913	499,490	525,781
Current service cost	141,233	68,969	210,202	214,135
Interest cost	25,169	12,293	37,462	39,434
Benefits paid	-	(92,868)	(92,868)	(217,677)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Past service cost	-	-	-	-
Actuarial (gain) / loss	(4,281)	130,011	125,730	56,308
Projected benefit obligation at year end	516,698	263,318	780,016	617,981
Change in plan assets :				
Fair value of plan assets at beginning of year	70,502	-	70,502	-
Expected return on plan assets	5,288	-	5,288	-
Actuarial gain / (loss)	(5,288)	-	(5,288)	-
Employer contribution	10,635	-	10,635	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at year end	81,137	-	81,137	-
Net funded status of the plan	(435,561)	(263,318)	(698,879)	(617,981)
Net amount recognised	(435,561)	(263,318)	(698,879)	(617,981)

- (d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by the LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.
- (e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- (f) The Group made annual contributions to the LIC of an amount advised by the LIC. The Group was not informed by LIC of the investments made by the LIC or the break-down of plan assets by investment type.
- (g) Estimated amounts of benefits payable within next year are Rs 369,282 thousand (March 31, 2009 Rs 280,188 thousand).
- (h) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'

Particulars	Gratuity				Leave Encashment			
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Defined benefit obligation	997,403	780,016	499,489	372,527	711,809	617,981	525,781	384,094
Plan assets	81,137	81,137	70,502	64,037	-	-	-	-
Surplus/ (deficit)	(916,266)	(698,879)	(428,987)	(308,491)	(711,809)	(617,981)	(525,781)	(384,094)
Experience adjustments on plan liabilities	(135,788)	(82,041)	(61,424)	37,174	(143,530)	(25,407)	(69,906)	19,182
Experience adjustments on plan assets	(6,085)	(5,288)	(4,803)	394	-	-	-	-

i) **Movement in provision for Deferred Incentive Plan**

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Opening Balance	578,868	139,843
Addition during the year	934,381	572,216
Less : Utilized during the year	706,431	133,191
Closing Balance	806,818	578,868

- (j) Other long term service benefits are provided based on actuarial valuation (as per the Projected Unit Credit Method) made at the end of each financial year. Long term service award provided by the Group as at March 31, 2010 is Rs 155,836 thousand (March 31, 2009 Rs 143,817 thousand).

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

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, 2010

Cable Project	Total Contribution (Rs '000)	Capital Work In Progress (Rs '000)	WDV As at March 31, 2010 (Rs '000)	Share %
SMW-4	2,514,188	-	1,917,080	11.19%
AAG - Project	1,804,191	-	1,757,397	7.08%
EASSY - Project	107,578	107,578	-	1.00%
EIG - Project	1,387,385	1,387,385	-	7.09%
IMEWE- Project	2,037,223	2,037,223	-	12.79%
Unity - Project - Common & Others	1,196,612	61,178	1,134,993	10.00%
Unity - Project - Light Up	149,201	-	149,143	13.91%

For the Year ended March 31, 2009

Cable Project	Total Contribution (Rs '000)	Capital Work In Progress (Rs '000)	WDV As at March 31, 2010 (Rs '000)	Share %
SMW-4	2,514,188	331,727	1,763,754	10.76%
AAG - Project	1,212,110	1,212,110	-	7.08%
EASSY - Project	29,753	29,753	-	1.11%
EIG - Project	550,389	550,389	-	7.09%
IMEWE- Project	1,157,698	1,157,698	-	12.79%
Unity - Project - Common & Others	323,939	323,939	-	10.00%
Unity - Project - Light Up	40,541	40,541	-	13.91%

Joint Venture Entities:

- 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 Group has invested USD 2,200 thousand, amounting to Rs 92,237 thousand, in 2,200 thousand ordinary shares of USD 1 each which is equivalent to an ownership of 10.00% as at March 31, 2010 (March 31, 2009: USD 2,200 thousands Rs 92,237 thousand, ownership interest 10.00%)
- c) Bharti Infratel Limited has entered into a joint venture agreement on December 8, 2007 with Vodafone Essar Limited and Idea Cellular Limited to form an independent tower company ("Indus Towers Limited") to provide passive infrastructure services in 16 circles of India. The Company and Vodafone Essar Limited holds 42% each in the Indus Tower Limited and the balance 16% is being held by Aditya Birla Telecom Limited. For this purpose Bharti Infratel Ventures Limited has been incorporated as a wholly owned subsidiary of Bharti Infratel Limited wherein relevant assets are to be transferred for ultimate merger in the Indus Towers Limited. Pursuant to the aforesaid agreement, Bharti Infratel Limited has acquired 50,000 equity shares of Rs 10 each in Indus Towers Limited on December 17, 2007 for an aggregate value of Rs. 500 thousand.
- d) Bharti Airtel Services Limited ('BASL') entered into a Joint Venture with 6 other parties to form an aircraft chartering company called the Forum I Aviation Limited incorporated in India. The principal activity of the venture is operating aircrafts on charter basis. BASL has invested in 4,550 thousand ordinary shares of Rs 10 each amounting to Rs 45,500 thousand along with other partners, which is equivalent to an ownership interest of 14.28% as at March 31, 2010. (March 31, 2009: Rs 45,500 thousand, ownership interest 14.28%)
- e) The following represent the Group's share of assets and liabilities, and income and results of the joint ventures before elimination of transactions between joint ventures and the Company to the extent of its proportionate share

which are included in the Balance Sheet and Profit and Loss Account respectively.

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
Balance Sheet		
Reserve and surplus	(439,214)	(764,174)
Fixed assets, (net)	41,548,641	28,252,977
Investments	322,876	2,824
Deferred Tax Assets	212,274	376,982
Current assets		
Sundry debtors	10,704,112	4,569,743
Cash and bank	279,109	2,041,987
Loans and advances	3,970,114	5,604,738
Current liabilities and provisions	16,567,472	18,117,789
Unsecured Loans	5,783,090	15,562,449
Secured Loans	34,918,083	7,770,000

Particulars	(Rs '000)	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Profit and Loss Account		
Service revenue	36,858,081	8,946,430
Other income	39,218	41,263
Expenses		
Operating expenses	28,296,551	7,894,247
Selling, general and administration expenses	552,049	210,135
Finance expenses/(income)	3,468,256	1,051,728
Depreciation	4,095,061	925,915
Charity and Donation	1	221
Deferred Tax expense/(income)	164,708	(376,982)
Fringe Benefit Tax	-	6,198
Profit/(Loss)	320,673	(723,769)
Contingent Liability	86,204	165
Capital Commitment	2,604,389	10,160,782

The above includes Total Assets of Rs 192,273 thousand, Revenue of Rs 57,647 thousand and Profit of Rs 2,387 thousand with respect to certain Joint ventures based on unaudited financial statements of these Companies.

- f) Loss of Associate Companies of Rs 48,283 thousand is based on unaudited financial statement of these companies.

8. Goodwill

The following is the detail of goodwill in the consolidated financial statements of Bharti Airtel as at March 31, 2010:

Nature of Transaction	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
On Acquisition of		
70 per cent equity interest in BHL by Bharti Airtel	3,067,862	3,067,862
100 per cent equity interest in Satcom Broadband Equipment Limited by Bharti Airtel	31,070	31,070
100 per cent equity interest in Bharti Broadband Limited by Satcom Broadband Equipment Limited	92,860	92,860
10 per cent equity interest in Bridge Mobile Pte Ltd.	4,649	4,649
100 per cent equity interest in Bharti Aquanet Limited by Bharti Airtel*	33,578	33,578
100 per cent equity interest in Network i2i by Bharti Airtel	5,395,355	5,395,355
95 per cent equity interest in Bharti Telemedia Limited by Bharti Airtel Limited (Refer Note 2(c) on Schedule 22)	73,795	-
70 per cent equity interest in Warid Telecom International Limited by Bharti Airtel Holdings (Singapore) Pte Limited (Refer Note 2(e) on Schedule 22)	5,947,341	-
Total	14,646,510	8,625,374

* Merged with Bharti Airtel Limited during Financial Year 2008-09

indirectly through subsidiary (ies) by Bharti Airtel as follows:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
Share Capital	10,739,458	1,216,200
Share Premium	6,932,153	1,507,331
Reserve arising under Scheme of Arrangement*	10,737,118	5,958,513
Share of opening Reserve	(1,837,298)	1,763,221

Particulars	For the period ended March 31, 2010	For the period ended March 31, 2010
Share of current Year Profit/ (Loss)	1,983,899	1,852,275
Total	28,555,329	12,297,540

*Pursuant to scheme sanctioned by The Hon'ble High Court, effective January 31,2008 for transfer of telecom infrastructure undertaking to Bharti Infratel Ltd.

9. Minority interest represents that part of the net results of operations and of the net assets of a subsidiary attributable to interests which are not owned, directly or

10. Rs 3,239,544 thousand (March 31, 2009 - Rs 3,728,953 thousand) included under Current Liabilities, represents refundable security deposits received from subscribers on activation of connections granted thereto and are repayable on disconnection, net of outstanding, if any and security deposits received from channel partners. Sundry debtors are secured to the extent of the amount outstanding against individual subscribers by way of security deposit received from them.

11. As at March 31, 2010, 3,130,495 equity shares (of face value of Rs 5) (March 31, 2009 - 4,180,490 equity shares of Rs 5 each) of the Company are held by Bharti Tele-Ventures Employee's Welfare Trust, issued at the rate of Rs 25.68 (Rs 51.36 pre split up) per equity share fully paid up. (Refer note 20 on Schedule 22).

12. Sales and Marketing in Schedule 17 includes goodwill waivers which are other than trade discount of Rs 366,360 thousand (March 31, 2009 – Rs 348,853 thousand).

13. Particulars of securities charged against secured loans taken by the Group are as follows:

Particulars	Amount Outstanding (Rs '000)	Security charges
11.70%, 50 Non-convertible Redeemable Debentures of Rs. 10,000 thousand each balance repayment commencing from June, 2010	375,000	<ul style="list-style-type: none"> First ranking pari passu charge on all present and future tangible movable and freehold immovable assets owned by Bharti Airtel Limited including plant and machinery, office equipment, furniture and fixtures fittings, spares tools and accessories All rights, titles, interests in the accounts, and monies deposited and investments made there from and in project documents, book debts and insurance policies First ranking pari passu charge amongst the senior secured creditors and second rank pari passu amongst the second secured creditors on all present and future tangible movable and immovable assets (excluding land) owned by Bharti Infratel Limited including plant and machinery, office equipment, furniture and fixtures, spares tools and accessories.
Loan from Bank	6,000,000	
Loan from Banks and Others (Loan taken by Indus Tower Limited)	34,860,000	
		<ul style="list-style-type: none"> (i) a mortgage and first charge of all the Borrower's freehold immovable properties, present and future; (ii) a first charge by way of hypothecation of the Borrower'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 Borrower's cashflows, 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 limits not exceeding Rs. 10,000 Million (amount in absolute figures) including funded facilities not exceeding Rs. 5,000 Million (amount in absolute figures); (iv) an assignment and first charge of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower 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 Borrower in the Clearances and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the documents related to; (v) a first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Master Services Agreements together with the Service Contracts, all as amended, varied or supplemented from time to time; (vi) first charge on debt service reserve (DSR) of an amount equal to the aggregate principal amount of the Loan along with interest required to be repaid in one quarter be created immediately upon an Event of default and maintained to secure a payment default, in case an Event of default occurs and is continuing or failure to maintain any of the Financial Covenants as mentioned in the relevant loan agreement.
Vehicle Loan From Bank	119,972	Secured by Hypothecation of Vehicles of the related Companies in the Group
Loan from Banks	57,692	Secured by way of first and specific charge on aircraft purchased by Forum I Aviation Limited
Loan from Banks (Loan taken by Warid Telecom International Limited)	8,171,658	<ul style="list-style-type: none"> (i) First-ranking pari passu fixed charge over listed machinery and equipment of the Company; (ii) First-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered 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;
Total	49,584,322	

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

- Intellectual properties of Bharti Airtel
- Investment in subsidiaries of Bharti Airtel
- Licenses issued by DoT to the Company provide various telecom services

14. The movement of provision made for site restoration cost and warranty charges in accordance with AS-29 'Provisions, Contingent Liabilities and Contingent Assets' notified under Companies (Accounting Standards) Rules, 2006, ('As amended') is given below:

i) Site Restoration Cost:

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Opening Balance	10,559,153	5,801,180
Addition during the year	1,362,554	4,757,973
Adjustment during the year*	(5,826,701)	-
Closing Balance	6,095,006	10,559,153

*The Group has revised its estimates of provision for Asset Retirement

ii) Warranty Charges:

(Rs '000)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Opening Balance	3,058	7,528
Addition during the year	2,496	9,989
Less: Utilised / reversed during the year	1,266	14,459
Closing Balance	4,288	3,058

Obligation (ARO) and consequently reversed provision amounting to Rs 5,826,701 thousand with corresponding reduction in gross block of assets. The change in estimates resulted in lower depreciation and higher profit before tax by Rs 269,591 thousand for the year ended March 31, 2010.

15. Information about Business Segments-Primary

Segment Definitions

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Mobile Services - These services cover telecom services provided through cellular mobile technology wherein a subscriber is connected to the network through wireless equipment. The subscriber can freely roam around anywhere and stay connected wherever the wireless network coverage is available.

Telemedia Services (formerly Broadband and Telephone Services) - These services are provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment (i.e. switch) to subscriber's premises.

Enterprise Services - During the period, effective April 1, 2009, the Company has reported Erstwhile 'Enterprise Services – Carrier Segment' and 'Enterprise Services Corporate Segment' under 'Enterprise Services Segment' in accordance with its accounting policy on segment reporting. These services cover domestic and international long distance services and internet and broadband services. Long distance services are intermediary services provided to the service providers of cellular or fixed line services. Internet and broadband services are used to provide bandwidth and other network solutions to corporate customers

Passive Infrastructure Services - These services include setting up, operating and maintaining wireless communication towers, provide network development services and to engage in video, voice, data and internet transmission business in and out of India.

Other operations - These comprise the unallocated revenues, profits / (losses), assets and liabilities of the Group none of which constitutes a separately reportable segment. The corporate headquarters' expenses are not charged to individual segments. Other operation also includes revenues, profits / (losses), assets and liabilities of Direct to Home Services.

For the year ended March 31, 2010

(Rs '000)

Reportable Segments	Mobile Services	Telemedia Services	Enterprise Services	Passive Infrastructure	Others	Eliminations	Total
Revenue							
Service Revenue / Sale of Goods and							
Other Income	318,569,551	32,202,814	30,670,303	35,215,177	2,861,515	-	419,519,360
Inter Segment Revenue	7,147,543	1,991,608	53,715,332	34,866,456	2,998,872	(100,719,811)	-
Total Revenue	325,717,094	34,194,422	84,385,635	70,081,633	5,860,387	(100,719,811)	419,519,360
Results							
Segment Result, Profit / (Loss)	69,378,605	7,517,779	34,247,602	6,326,958	(13,371,500)	(175,031)	103,924,413
Net Finance Expense / (Income)	-	-	-	-	(5,029,953)	-	(5,029,953)
Net Profit / (Loss)	69,378,605	7,517,779	34,247,602	6,326,958	(8,341,547)	(175,031)	108,954,366
Provision for Tax							
- Current Tax	-	-	-	-	22,317,715	-	22,317,715
- MAT Credit	-	-	-	-	(11,320,155)	-	(11,320,155)
- Fringe Benefit Tax	-	-	-	-	-	-	-
- Deferred Tax (Credit)/ Charge	-	-	-	-	4,341,623	-	4,341,623
Minority Interest	1,803,610	-	-	180,289	-	-	1,983,899
Loss of Associates	-	-	-	-	-	-	-
Net Profit / (Loss) after tax	67,574,995	7,517,779	34,247,602	6,146,669	(23,680,730)	(175,031)	91,631,284
Other Information							
Segment Assets	263,976,125	52,149,588	79,292,325	209,920,940	76,043,747	-	681,382,725
Inter Segment Assets	201,699,967	12,495,147	135,619,913	28,235,937	3,819,607	(381,870,571)	-
Advance tax (Net of provision for tax)	-	-	-	-	3,291,203	-	3,291,203
Advance Fringe Benefit Tax (Net of provision)	-	-	-	-	20,772	-	20,772
MAT Credit	-	-	-	-	14,403,282	-	14,403,282
Total Assets	465,676,092	64,644,735	214,912,238	238,156,877	97,578,611	(381,870,571)	699,097,982
Segment Liabilities	96,013,525	7,602,072	22,382,136	77,824,522	63,884,370	-	267,706,625
Inter Segment Liabilities	124,142,071	38,858,325	77,912,728	23,815,232	117,142,215	(381,870,571)	-
Minority Interest	28,432,729	-	-	122,600	-	-	28,555,329
Deferred Tax Liability	-	-	-	-	4,046,897	-	4,046,897
Total Liabilities	248,588,325	46,460,397	100,294,864	101,762,354	185,073,482	(381,870,571)	300,308,851
Capital Expenditure	77,389,341	13,799,244	20,887,704	39,190,303	10,877,557	(26,073,339)	136,070,810
Depreciation and amortisation	32,669,067	7,252,558	7,533,572	18,086,308	3,376,711	(3,374,132)	65,544,084

For the year ended March 31, 2009

(Rs '000)

Reportable Segments	Mobile Services	Telemedia Services	Enterprise Services	Passive Infrastructure	Others	Eliminations	Total
Revenue							
Service Revenue / Sale of Goods and Other Income	295,944,616	31,230,090	34,716,445	12,707,127	446,346	-	375,044,624
Inter Segment Revenue	8,243,851	2,195,943	48,700,681	38,205,845	3,553,882	(100,900,202)	-
Total Revenue	304,188,467	33,426,033	83,417,126	50,912,972	4,000,228	(100,900,202)	375,044,624
Results							
Segment Result, Profit / (Loss)	68,746,069	8,187,883	31,637,253	3,204,243	(6,860,931)	(391,559)	104,522,958
Net Finance Expense / (Income)	-	-	-	-	18,612,828	-	18,612,828
Net Profit / (Loss)	68,746,069	8,187,883	31,637,253	3,204,243	(25,473,759)	(391,559)	85,910,130
Provision for Tax							
- Current Tax	-	-	-	-	10,400,288	-	10,400,288
- MAT credit	-	-	-	-	(2,317,983)	-	(2,317,983)
- Fringe Benefit Tax	-	-	-	-	408,131	-	408,131
- Deferred Tax (Credit)/ Charge	-	-	-	-	(3,022,126)	-	(3,022,126)
Minority Interest	1,684,463	-	-	167,812	-	-	1,852,275
Net Profit / (Loss) after tax	67,061,606	8,187,883	31,637,253	3,036,431	(30,942,069)	(391,559)	78,589,545
Other Information							
Segment Assets	233,283,156	49,695,333	79,738,925	202,578,918	58,824,123	-	624,120,455
Inter Segment Assets	143,765,234	17,019,515	92,650,455	17,488,997	5,273,054	(276,197,255)	-
Deferred Tax Asset	-	-	-	-	292,978	-	292,978
MAT Credit	-	-	-	-	-	-	-
Total Assets	377,048,390	66,714,848	172,389,380	220,067,915	64,390,155	(276,197,255)	624,413,433
Segment Liabilities	99,760,222	8,014,601	30,848,259	94,680,802	87,532,765	-	320,836,649
Inter Segment Liabilities	73,289,611	47,746,070	60,683,406	18,182,791	76,295,377	(276,197,255)	-
Minority Interest	4,540,707	-	-	7,756,833	-	-	12,297,540
Deferred Tax Liability	-	-	-	-	-	-	-
Total Liabilities	177,590,540	55,760,671	91,531,665	120,620,426	163,828,142	(276,197,255)	333,134,189
Capital Expenditure	84,543,496	16,717,260	18,938,100	62,352,487	3,863,082	(19,469,717)	166,944,708
Depreciation and amortisation	26,143,730	6,102,576	5,305,230	12,709,477	1,029,545	1,651,576	49,638,982

Notes:

1. 'Others' represents the Unallocated Revenue, Profit/(Loss), Assets & Liabilities
2. Segment results represents Profit/(Loss) before Finance Expenses and Tax
3. Capital expenditure pertains to gross additions made to fixed assets during the year excluding goodwill
4. Segment Assets include Fixed Assets, Capital Work in Progress, Pre-operative Expenses Pending Allocation, Investments, Current Assets and Miscellaneous Expenditure to the extent not written off
5. Segment Liabilities include Secured and Unsecured loans, Current Liabilities and Provisions
6. Inter segment Assets/Liabilities represent the inter segment account balances
7. Inter segment revenues excludes the provision of telephone services free of cost among group companies. Others are accounted for on terms established by management on arm's length basis. These transactions have been eliminated in consolidation
8. The accounting policies used to derive reportable segment results are consistent with those described in the "Significant Accounting Policies" note to the financial statements. Also refer Note 18 - Policy of significant accounting policy of Segment reporting of Schedule 22

Information about Geographical Segment – Secondary

The Group has operations within India as well as with entities located in other countries. The information relating to the Geographical segments in respect of operations within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below for the year ended March 31, 2010.

(Rs '000)

Particulars	As at March 31, 2010	As at March 31, 2009
Segment Revenue from external customers based on geographical location of customers (including Other Income)		
Within India	398,704,110	354,157,278
Others	20,815,250	20,887,346
	419,519,360	375,044,624
Carrying amount of Segment Assets by geographical location		
Within India	630,541,761	592,622,311
Others	68,556,221	31,791,122
	699,097,982	624,413,433
Cost incurred during the year to acquire segment assets by geographical location		
Within India	130,614,171	158,033,878
Others	11,477,775	8,054,835
	142,091,946	166,088,713

Notes:

1. 'Others' represents the Unallocated Revenue, Assets and acquisition of Segment Assets of the Group
2. Assets include Fixed Assets, Capital Work in Progress, Investments, Current Assets and Miscellaneous Expenditure to the extent not written off
3. Cost incurred to acquire Segment Assets pertains to gross additions made to Fixed Assets during the year

16. 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:

List of Related Parties:

Key Management Personnel :

Sunil Bharti Mittal

Akhil Gupta

Manoj Kohli

Sanjay Kapoor (w.e.f. March 1, 2010)

Other Related Parties

Name of the related Party and relationship

Entities where Key Management Personnel exercises significant influence/ Group Companies

Beetel Teletech Limited (formerly Bharti Teletech Limited)

Bharti Airtel Employees Welfare Trust (formerly Bharti Tele-ventures 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 (formerly Tamarind Projects Private Limited)

Bharti Realty Limited (formerly Bharti Realty Private Limited)

Bharti Retail Limited (formerly Bharti Retail Private Limited)

Bharti Wal-Mart Private Limited

Centum Learning Limited

Comviva Technologies Limited

Fieldfresh Foods Private Limited (formerly Bharti Del Monte India Private Limited)

Guernsey Airtel Limited

Jataayu Software Limited (merged with Comviva Technologies Limited w.e.f 01-04-2008)

Jersey Airtel Limited

Telecom (Seychelles) Limited

Entity having significant influence

Singapore Telecommunications Limited

Pastel Limited

Bharti Telecom Limited

Related Party Transaction for 2009-10

Nature of transaction	Bharti Telecom Limited	Singapore Telecommunications Limited	Pastel Limited	Bharti Wal-Mart Private Limited	Comviva Technologies Limited	Beetel Teletch (formerly Bharti Teletch Limited)	Telecom (Seychelles) Limited	Bharti Realty (formerly Bharti Realty Private Limited)	Guernsey Airtel Limited	Bharti Realty Holdings (formerly Tamarind Project Private Limited)	Fieldfresh Foods Private Limited (formerly Bharti Del Monte India Private Limited)	Bharti AXA Life Insurance Company Limited
Purchase of fixed assets/Bandwidth	-	(170,856)	-	-	(2,379)	(677,881)	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Sales of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	-	1,353,918	-	5,435	6,991	239,455	40,582	-	3,978	-	-	15,215
Receiving of services	-	(855,914)	-	-	(479,737)	(354,530)	(18,904)	(389,683)	-	(14,354)	-	-
Management fee (including service tax)	-	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/includes expenses incurred on behalf of others	-	-	-	2,427	25,889	1,248	2,821	-	-	-	820	-
Fund received/includes expenses incurred on behalf of Company	(9,078)	-	-	-	-	-	-	(9,253)	-	-	-	-
Employee related transaction incurred on behalf of others	-	-	-	-	-	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of Company	-	-	-	-	-	-	-	(658)	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	55,197	-	-	-	-
Loan to Related Party	-	-	-	-	-	-	-	-	-	-	-	-
Interest received on fund transferred	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	1,719,972	-	591,319	-	-	-	-	-	-	-	-	-
Closing balance	-	442,749	-	7,266	(36,669)	75,369	4,298	627,502	7,748	8,487	-	250
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	(36,669)	-	-	-	-	-	-	-
Loans and Advances	-	-	-	2,004	-	-	-	627,502	-	8,487	-	-
Debtors	-	442,749	-	5,262	-	75,369	4,298	-	7,748	-	-	250
Closing Balance	-	442,749	-	7,266	(36,669)	75,369	4,298	627,502	7,748	8,487	-	250
Maximum Loans and Advance Outstanding during the year	9,078	-	-	2,427	-	-	-	627,502	-	8,487	-	-
Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-	-	-

(Rs '000)

[illegible]

Related Party Transaction for 2008-09

(Rs '000)

Nature of transaction	Bharti Telecom Limited	Singapore Telecommunications Limited	Bharti Wal-Mart Private Limited	Comviva Technologies Limited	Bharti Teletch Limited	Telecom Seychelles Limited	Bharti Realty Private Limited	Guernsey Airtel Limited	Tamarind Project Private Limited	Jasmine Projects Private Limited	Bharti Del Monte India Private Limited	Primerose Projects Private Limited	Bharti AXA Life Insurance Co. Ltd
Purchase of fixed assets	-	-	-	(17,125)	(1,057,542)	-	(44,307)	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments (Mutual Fund)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of Investments (Mutual Fund)	-	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	-	1,549,602	1,328	22,499	102,508	15,064	-	4,165	-	-	-	-	23,887
Receiving of services	-	(817,723)	-	(806,197)	(100,690)	(12,434)	-	-	-	-	-	-	(51)
Fund transferred/includes expenses incurred on behalf of others	-	-	-	-	1,410	-	126,293	-	14,622	17,474	-	-	-
Fund received/includes expenses incurred on behalf of Company	-	-	-	(686)	(5,737)	-	-	-	-	-	447	-	-
Employee related transaction incurred on behalf of others	-	-	-	-	54	-	-	-	-	-	-	-	-
Employee related transaction incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-	(1,034)	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	259,979	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	(53,600)	-	-	-	-	-	-	(188,991)	-
Subscription to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Capital issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan from Group Companies	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan to Related Party	-	-	-	-	-	-	-	-	-	-	-	-	-
Subscription to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received on fund transferred	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	9,078	531,594	437	(242,405)	25,952	738	594,779	10,160	-	-	447	-	23,740
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	(242,405)	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	-	-	25,952	738	594,779	10,160	-	-	-	-	23,740
Debtors	-	531,594	437	-	-	-	-	-	-	-	-	-	-
Closing Balance	9,078	531,594	437	(242,405)	25,952	738	594,779	10,160	-	-	447	-	23,740
Maximum Loans and Advances outstanding during the year	-	-	-	-	25,952	738	594,779	10,160	-	-	447	-	23,740
Guarantees and Collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-

(Rs '000)

[illegible]

17. Leases

a) 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:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
Lease Rentals (Excluding Lease Equalisation Reserve)	21,948,740	11,509,517
Obligations on non cancelable leases :		
Not later than one year	23,585,093	17,248,848
Later than one year but not later than five years	49,694,452	41,385,602
Later than five years	77,296,795	59,479,474
Total	150,576,341	118,113,924

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.

b) Operating Lease – As a Lessor

- i) The Group has entered into a non-cancelable lease arrangement to provide approximately 100,000 Fiber pair kilometers of dark fiber on indefeasible right of use (IRU) basis for a period of 18 years. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the Profit and Loss Account on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as at March 31, 2010 and accordingly, disclosures required by AS 19 are not provided.

ii) The future minimum lease payments receivable are:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
Not later than one year	20,057,132	17,353,227
Later than one year but not later than five years	47,404,245	34,081,089
Later than five years	37,854,066	21,035,282
Total	105,315,443	72,469,598

- iii) The Group has given VSAT assets like BIT, routers, modem etc on operating lease to various customers, which are capitalized under fixed assets. The agreements are cancelable and are generally of one year. The lease rentals recognized in the Profit and Loss Account on a straight line basis over the lease term amount to Rs 151,337 thousand (March 31, 2009 Rs 127,258 thousand).

- iv) The Group has entered into a non-cancelable lease arrangement to provide access to the Passive Infrastructure located at 12 Circles on indefeasible right

of use (IRU) basis for a period of 6 months to its Joint Venture Company, Indus Tower Limited from January 1, 2009. The term is extendable for further period of six (6) months, until such time as the Passive Infrastructure is transferred to its Joint Venture Company, Indus Tower Limited. However the term shall not be automatically extended for any period beyond an aggregate period of two (2) years. The term may be extended for a further period of one (1) year beyond a two (2) year period by mutual agreement.

The Group has credited lease rental receivable to the Profit and Loss Account on a straight-line basis over the lease term amounting to Rs 2,796,760 thousand (March 31, 2009 – Rs 699,190 thousand)

c) Finance Lease – As a Lessor

The Company had given Broadband Interactive Terminals ('BIT') on finance lease. The gross investment in assets given on finance lease and their present value as at March 31, 2010 is NIL.

As at March 31, 2009

Particulars	(Rs '000)		
	Gross Investment	Unearned Finance Income	Present Value
Not later than one year	2,436	163	2,273
Later than one year but not later than five years	218	2	216
Total	2,654	165	2,489

d) Finance Lease – As a Lessee

- i) The Company entered into a composite IT outsourcing agreement, whereby the vendor supplied fixed assets and IT related services to the Company. Based on the risks and rewards incident to the ownership, the fixed assets received are accounted for as a finance lease transaction. Accordingly, the asset and liability are recorded at the fair value of the leased assets at the time of receipt of the assets, since it is not possible for the Company to determine. These assets are depreciated over their useful lives as in the case of the Company's own assets.

Since the entire amount payable to the vendor towards the supply of fixed assets during the year is accrued, there are no minimum lease payments outstanding as at the year-end in relation to these assets and accordingly, other disclosures as per AS 19 are not applicable.

There are no restrictions imposed on lease arrangements.

- ii) Finance lease obligation of the Group as at 31 March, 2010 is as follows:

Particulars	(Rs '000)		
	Future minimum lease payments	Interest	Present Value
Not later than one year	49,257	12,804	36,452
Later than one year but not later than five years	73,414	9,581	63,833
Later than five years	-	-	-
Total	122,671	22,385	100,285

iii) The Group has acquired Property, Plant and Equipment by means of finance lease to the aggregate value of Rs 144,011 thousand (March 31, 2009 Rs 206,104 thousand).

18. The breakup of Net Deferred Tax Asset / (Liability) into major components of the respective balances is as follows:

Particulars	(Rs '000)	
	As at March 31, 2010	As at March 31, 2009
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)	5,122,527	4,402,962
Lease Rent Equilization charged in financial statement but allowed as deduction under the Income Tax Act in future years on actual payment basis	819,868	782,254
Foreign exchange fluctuation and MTM losses charged in financial statement but allowed as deduction under the Income Tax Act in future years (by way of depreciation and actual realisation, respectively)	878,179	3,800,510
Brought Forward Loss	2,015,590	1,471,136
Other expenses claimed as deduction in the financial statement but allowed as deduction under Income Tax Act in future year on actual payment (Net)	3,088,026	1,523,802
Gross Deferred Tax Assets	11,924,190	11,980,664
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statement in future years	(15,971,087)	(11,687,686)
Gross Deferred Tax Liabilities	(15,971,087)	(11,687,686)
Net Deferred Tax Assets / (Liability) (Net)	(4,046,897)	292,978

The tax impact for the above purpose has been arrived at by applying a tax rate of 33.99% being the substantively enacted tax for Indian Companies under Income Tax Act, 1961 and applicable tax rate for subsidiary companies under other jurisdictions

19. 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 ESOP 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 equity shares at a price of Rs 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 of September 30, 2001, as a result of which the total number of shares allotted to the trust increased to 15,840,000 equity shares.

(iii) Pursuant to the shareholders' further 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 options to be granted to employees from time to time on the basis of their performance and other eligibility criteria.

(iv) All above options are planned to be settled in equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The plans existing during the year are as follows:

a) 2001 Plan under the Old Scheme

The options under this plan have an exercise price of Rs 11.25 per share (post split, refer Note 20 on Schedule 22) and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	20%
	On completion of 24 months	30%
	On completion of 36 months	50%
For options with a vesting period of 42 months:	On completion of 12 months	15%
	On completion of 18 months	15%
	On completion of 30 months	30%
	On completion of 42 months	40%
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

b) 2004 Plan under the Old Scheme.

The options under this plan have an exercise price of Rs 35 per share (post split, refer Note 20 on Schedule 22) and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

c) Super-pot Plan under the Old Scheme

The options under this plan have an exercise price of Rs Nil per share and vest on a graded basis as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

d) 2006 Plan under the Old Scheme

The options under this plan have an exercise price of Rs 5 per share (post split, refer Note 20 on Schedule 22) and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 36 months	50%
	On completion of 48 months	50%

e) 2005 Plan under the New Scheme

The options under this plan have an exercise price in the range of Rs 5 to Rs 461 per share (post split, refer Note 20 on Schedule 22) and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	10%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	40%

f) 2008 Plan and Annual Grant Plan (AGP) under the New Scheme

The options under this plan have an exercise price in the range of Rs 295 to Rs 336.5 per share (post split, refer Note 20 on Schedule 22) and vest on a graded basis from the effective date of grant as follows:

		2008 Plan	AGP#
	Vesting period from the grant date	Vesting schedule	Vesting schedule
For options with a vesting period of 36 months:	On completion of 12 months	25%	33%
	On completion of 24 months	35%	33%
	On completion of 36 months	40%	33%

The above plan has been withdrawn w.e.f. January 1, 2010.

g) Infratel Options

The options under this plan have an exercise price of Rs 340 per share and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 60 months:	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%

h) Indus Options

The options under this plan have an exercise price of Rs 249 per share and vest on a graded basis from the effective date of grant as follows:

	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 48 months:	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%

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

(Shares in Thousands)	As of March 31, 2010			As of March 31, 2009		
	Number of stock options In (000)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)	Number of stock options In (000)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)
2001 Plan						
Number of shares under option:						
Outstanding at beginning of year	36	11.25		73	11.25	
Granted	-	-		-	-	
Exercised*	4	11.25		23	11.25	
Cancelled or expired	16	-		14	-	
Outstanding at the year end	16	11.25	0.00 to 2.25	36	11.25	0.00 to 3.25
Exercisable at end of year	16	11.25		36	11.25	
Weighted average grant date fair value/exercise price per option for options granted during the year/period at less than market value	-	-	-	-	-	-
2004 Plan						
Number of shares under option:						
Outstanding at beginning of year	576	35.00		955	35.00	
Granted	-	-		-	-	
Exercised*	406	35.00		379	35.00	

(Shares in Thousands)	As of March 31, 2010			As of March 31, 2009		
	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)
Cancelled or expired	-	-		-	-	
Outstanding at the year end	170	35.00	0.76 to 1.25	576	35.00	1.76 to 2.25
Exercisable at end of year	170	35.00		576	35.00	
Weighted average grant date fair value/exercise price per option for options granted during the year/period at less than market value	-	-	-	-	-	-
Superpot Plan						
Number of shares under option:						
Outstanding at beginning of year	12	-		12	-	
Granted	-	-		-	-	
Exercised*	-	-		-	-	
Cancelled or expired	-	-		-	-	
Outstanding at the year end	12	-	1.25	12	-	2.25
Exercisable at end of year	12	-		12	-	
Weighted average grant date fair value/exercise price per value for options granted during the year/period at less than market value	-	-	-	-	-	-
2006 Plan						
Number of shares under option:						
Outstanding at beginning of year	2,410	5.00		2,785	5.00	
Granted	454	5.00		261	5.00	
Exercised*	640	5.00		36	5.00	
Cancelled or expired	128	-		600	-	
Outstanding at the year end	2,096	5.00	3.17 to 6.77	2,410	5.00	5.07 to 5.35
Exercisable at end of year	357	5.00		68	5.00	
Weighted average grant date fair value/exercise price per value for options granted during the year/ period at less than market value	454	299.93		260.93	263.25	
Scheme 2005						
Number of shares under option:						
Outstanding at beginning of year	5,998	237.30		7,682	237.30	
Granted	1,323	5.00		-	-	
Exercised	920	128.37		478	134.08	
Cancelled or expired	604	-		1,206	-	
Outstanding at the year end	5,797	192.53	2.44 to 6.34	5,998	237.30	3.44 to 5.92
Exercisable at end of year	2,576	192.53		1,876	237.30	
Weighted average grant date fair value/exercise price per option for options granted during the year/ period at less than market value	1,323	401.40		-	-	
Scheme 2008 & Annual Grant Plan						
Number of shares under option:						
Outstanding at beginning of period	5,794	331.22		-	-	
Granted	2,566	402.50		6,216	330.36	
Exercised	1	-		-	-	
Cancelled or expired	1,328	-		422	-	
Outstanding at period end	7,031	352.05	5.25 to 6.25	5,794	331.22	6.25 to 6.76
Exercisable at end of period	1,282	352.05		-	-	
Weighted average grant date fair value/exercise price per option for options granted during the period at less than market value	2,566	169.45		6,216	154.44	
Infratel Options						
Number of shares under option:						
Outstanding at beginning of period	2,450	340.00		-	-	
Granted	995	340.00		2,450	340	
Exercised	-	-		-	-	

(Shares in Thousands)	As of March 31, 2010			As of March 31, 2009		
	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)	Number of stock options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (in Years)
Cancelled or expired	450	-	-	-	-	-
Outstanding at period end	2,995	340.00	5.42 to 6.76	2,450	340	0
Exercisable at end of period	471	340.00	-	-	-	-
Weighted average grant date fair value/exercise price per option for options granted during the period at less than market value	995	478.01	-	2,450	374.81	-
Indus Options **						
Number of shares under option:						
Outstanding at beginning of period	-	-	-	-	-	-
Granted	2,134	249.00	-	-	-	-
Exercised	-	-	-	-	-	-
Cancelled or expired	137	-	-	-	-	-
Outstanding at period end	1,997	249.00	5.43	-	-	-
Exercisable at end of period	-	-	-	-	-	-
Weighted average grant date fair value/exercise price per option for options granted during the period at less than market value	2,134	368.00	-	-	-	-

*Options have been exercised out of the shares issued to the trust

** The above represents details of all the ESOS of Indus.

The weighted average share price during the year was Rs.365.42.

- (vi) The fair value of the options granted was estimated on the date of grant using the Black-Scholes / Lattice valuation model with the following assumptions

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Risk free interest rates	5.35% to 8.50%	4.45% to 9.70%
Expected life	48 to 84 months	48 to 72 months
Volatility	36.13% to 58%	36.23% to 49.26%
Dividend yield	0% to 0.31%	0.00%
Weighted average share price on the date of grant	307.42 to 680	616.80 to 832.55

The volatility of the options is based on the historical volatility of the share price since the Group's equity shares became publicly traded, which may be shorter than the term of the options.

- (vii) The balance of deferred stock compensation as on March 31, 2010 is Rs 1,642,167 thousand (March 31, 2009 Rs 1,495,823 thousand) and total employee compensation cost recognized for the year then ended is Rs 1,446,351 thousand (March 31, 2009 Rs 893,527 thousand).

20. Earnings per Share

The board of directors in its meeting held on April 29, 2009 have approved sub-division (share split) of existing equity shares of Rs 10 each into 2 equity shares of Rs 5 each, which was duly approved by postal ballot by the shareholders of the Company on July 11, 2009. Accordingly, EPS for the year ended March 31, 2010 and previous year has been restated, as applicable, below:

Particulars	As at March 31, 2010 (Post Split)	As at March 31, 2009 (Post Split)
Basic and Diluted Earnings per Share :		
Nominal value of equity shares (Rs.)	5	5
Profit attributable to equity shareholders (Rs.'000) (A)	91,631,284	78,589,545
Weighted average number of equity shares outstanding during the year (B)	3,796,858,204	3,796,210,078
Basic earnings per Share (Rs.) (A / B)	24.133	20.702
Dilutive effect on profit (Rs.'000) (C) *	(3,172)	2,097
Profit attributable to equity shareholders for computing Diluted EPS (Rs.'000) (D) = (A + C)	91,628,112	78,591,642
Dilutive effect on weighted average number of equity shares outstanding during the year (E) *	1,071,751	1,130,095
Weighted Average number of Equity shares and Equity Equivalent shares for computing Diluted EPS (F) = (B + E)	3,797,929,955	3,797,340,173
Diluted earnings per share (Rs..) (D / F)	24.126	20.696

*Diluted effect on weighted average number of equity shares and profit attributable is on account of Foreign Currency Convertible bonds and Employee Stock Option Plan (ESOP).

21. Forward Contracts & Derivative Instruments

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, 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 Group's exposure as on March 31, 2010:

Sr No	Particulars	Notional Value (March 31, 2010)	Notional Value (March 31, 2009)
A	For Loan related exposures *		
a)	Forwards	25,777,373	58,581,419
b)	Options	15,985,406	16,087,384
c)	Interest Rate Swaps	10,965,195	12,572,404
	Total	52,727,974	87,241,206
B	For Trade related exposures *		
a)	Forwards	1,467,050	5,347,203
b)	Options	1,986,160	534,975
	Total	3,453,210	5,882,178
C	Unhedged foreign currency borrowing	22,127,125	34,834,314
D	Unhedged foreign currency payables	19,753,099	30,470,083
E	Unhedged foreign currency receivables	931,039	-

*All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Group has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recognized reversal of losses of Rs 42,467 thousand for the year ended March 31, 2010 [recorded reversals of losses for earlier period of Rs 1,835,399 thousand for the year ended March 31, 2009 (including reversal of losses recognised in earlier periods Rs 1,230,080 thousand towards embedded derivatives)]

22. During the year ended March 31, 2005 the Company issued USD 115,000,000 Zero Coupon Convertible Bonds due 2009 (the "FCCBs"). The FCCBs are convertible at any time on or after June 12, 2004 (or such earlier date as is notified to the holders of the FCCBs by the Issuer) up to April 12, 2009 by holders into fully paid equity shares with full voting rights with a par value of Rs 10 each of the Issuer ("Shares") at an initial Conversion Price (as defined in the "Terms and Conditions of the FCCBs") of Rs 233.17 per share with a fixed rate of exchange on conversion of Rs 43.56 = USD 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The FCCBs could be redeemed, in whole or in part, at the option of the Issuer at any time on or after May 12, 2007

and prior to April 12, 2009, subject to satisfaction of certain conditions, at their "Early Redemption Amount" (as defined in the "Terms and Conditions of the FCCBs") at the date fixed for such redemption if the "Closing Price" (as defined in the "Terms and Conditions of the FCCBs") of the Shares translated into U.S. dollars at the "prevailing rate" (as defined in the "Terms and Conditions of the FCCBs") for each of 30 consecutive "Trading Days" (as defined in the "Terms and Conditions of the FCCBs"), the last of which occurs not more than five days prior to the date upon which notice of such redemption is published, is greater than 120 percent of the "Conversion Price" (as defined in the "Terms and Conditions of the FCCBs") then in effect translated into U.S. dollars at the rate of Rs 43.56 = USD 1.00.

The FCCBs could also be redeemed in whole, and not in part, at any time at the option of the Issuer at their Early Redemption Amount if less than 5 percent in aggregate principal amount of the FCCBs originally issued is outstanding.

The FCCBs could also be redeemed in whole, at any time at the option of the Issuer at their Early Redemption Amount in the event of certain changes relating to taxation in India.

The Issuer could, at the option of any holder of any FCCBs, repurchase at the Early Redemption Amount such FCCBs at such time as the Shares cease to be listed or admitted to trading on the NSE or upon the occurrence of a "Change of Control" (as defined in the "Terms and Conditions of the FCCBs") in respect of the Issuer. These FCCBs were listed in the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Company has during the year ended March 31, 2010, converted FCCBs equivalent to USD 350,000 into 65,385 equity shares of the Company at the option exercised by the bond holders which is as follows:

Date of Allotment	No. of Shares Allotted	FCCB Value (USD)
May 1, 2009	65,385	350,000

The balance FCCBs equivalent to USD 50,000 have been redeemed at 111.84% of their principal amount after completion of the statutory formalities.

As of March 31, 2010, there are no FCCBs pending for conversion into equity shares.

23. The Boards of Directors in its meeting held on April 29, 2009 had proposed dividend of Rs 2 per share, which was duly approved by the shareholders of the Company in the annual general meeting held on August 21, 2009. Accordingly, dividend and tax thereon on shares issued from April 1, 2009 to August 21, 2009 (record date for payment of dividend), has been accounted for in these financial statements.

24. As at March 31, 2010 the accumulated losses of Bharti Telemedia Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (USA) Limited, Bharti Infratel Ventures Limited, Bharti Airtel Lanka (Pvt) Limited and Bharti Airtel (Hongkong) Limited exceed the networth of the respective companies. However, in view of the support from Bharti Airtel, the holding Company, the accounts of these companies including Bharti Airtel Services Limited, Bharti Airtel (Singapore) Private Limited, Bharti Airtel Holdings (Singapore) Pte Limited and Bharti Airtel (UK) Limited, are prepared on a going concern basis.
25. The Board of Directors recommended a final dividend of Re 1 per equity share of Rs 5 each (20% of face value) for financial year 2009-10. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company
26. Previous year figures have been regrouped / reclassified where necessary to conform to the current year's classification.

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2010

Sr. No.	Name of the Subsidiary Company	Country of Registration	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiary	Turnover	(Rs '000)		
									Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation
1	Bharti Hexacom Limited	India	2,500,000	18,879,069	28,375,319	6,996,250	1,262,742	26,414,702	7,360,512	1,117,127	6,243,385
2	Network i2i Limited	Mauritius	363,150	677,857	12,058,716	11,017,709	-	1,473,924	295,477	(28,227)	323,704
3	Bharti Airtel Services Limited	India	1,000	3,555	2,245,785	2,241,230	45,500	4,215,291	250,620	98,894	151,726
4	Bharti Airtel (Singapore) Private Limited	Singapore	20,139	82,165	9,566,630	9,464,326	-	979,476	124,520	28,120	96,401
5	Bharti Infratel Limited #	India	6,508,882	130,199,116	170,883,523	34,175,525	3,635,390	24,530,301	3,208,190	1,153,239	2,054,951
6	Bharti Telemedia Limited	India	102,000	(7,148,398)	14,241,213	21,287,611	96,000	2,869,892	(4,672,169)	211	(4,672,380)
7	Warid Telecom International Limited @	Bangladesh	30,587,764	(19,659,175)	23,152,580	12,223,991	-	406,873	(231,354)	-	(231,354)
8	Bharti Airtel (UK) Limited @	United Kingdom	44,290	112,327	294,616	137,999	-	145,460	64,457	5,705	58,752
9	Bharti Airtel (Canada) Limited	Canada	3,184	(37,811)	1,700	36,328	-	12,148	(12,849)	-	(12,849)
10	Bharti Airtel Lanka (Pvt) Limited	Srilanka	2,107,172	(4,563,201)	6,530,823	8,986,852	0	955,293	(3,056,009)	29,673	(3,085,682)
11	Bharti Airtel (Holding) Singapore Pte Limited	Singapore	15,248,220	(519,719)	14,825,439	96,938	-	-	(531,091)	38,810	(569,901)
12	Bharti Airtel (USA) Limited	United States of America	0.0	(257,768)	872,378	1,130,146	(0)	798,970	7,834	-	7,834
13	Bharti Infratel Ventures Limited	India	500	(975)	70	545	-	-	(316)	-	(316)
14	Bharti Airtel (Hongkong) Limited	Hongkong	26,333	(39,139)	147,486	160,292	-	12,188	(10,060)	-	(10,060)
15	Bharti International (Singapore) Pte Limited	Singapore	9,131	(510,981)	8,085	509,935	-	-	(510,981)	-	(510,981)
16	Bharti Airtel International (Netherlands) B.V	Netherlands	1,102	(60)	1,043	-	-	-	(60)	-	(60)
17	Bharti Infratel Lanka Private Limited	Srilanka	0.0	-	0.0	-	-	-	-	-	-

Share Capital Includes ESOP outstanding of Rs. 700,853 thousand.

@ Including Share Application money

Notice

of annual general meeting

Notice is hereby given that the fifteenth annual general meeting of the members of Bharti Airtel Limited, will be held on Wednesday, September 01, 2010 at 03.30 P.M. at Air Force Auditorium, Subroto Park, New Delhi 110 010 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at March 31, 2010, the profit & loss account and the cash flow statement for the year ended on that date and the reports of the Board of directors and auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Pulak Chandan Prasad, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Ms. Chua Sock Koong, who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint a director in place of Mr. Rajan Bharti Mittal, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a director in place of Mr. Rakesh Bharti Mittal, who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to authorise the Board / Audit Committee to fix their remuneration.

SPECIAL BUSINESS

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

Consent for appointment of Mr. Shravin Mittal as an employee in a subsidiary company

"Resolved that pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956 or any other law for the time being in force, the consent of the Company be and is hereby accorded for appointment of Mr. Shravin Mittal, son of Mr. Sunil Bharti Mittal, Chairman and Managing Director of the Company, to hold office as an employee with M/s. Bharti Airtel International (Netherlands) B.V., Netherlands, (a wholly owned subsidiary company of Bharti Airtel Limited, hereinafter referred to as "BAIN") or any of its step down subsidiary company, at any time on or after April 28,

2010, at such remuneration and on such other terms and conditions, as may be decided by the respective employer company, provided however that the aggregate amount of remuneration (inclusive of salary, allowances, perquisites, incentives, bonuses, retirement benefits, facilities, social securities etc.) shall not exceed Euros 250,000 per annum or equivalent amount in any other currency.

Resolved further that in addition to the above remuneration, Mr. Shravin Mittal would also be eligible for grant of stock options as per the terms of the respective stock option scheme for the time being in force.

Resolved further that the Board of directors of the Company (which expression shall also include a duly constituted committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

Payment of commission to non-executive directors of the Company

"Resolved that pursuant to the provisions of section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and any other law for the time being in force, and in accordance with provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded for payment of commission to its non-executive directors not exceeding one per cent (1%) of the net profits of the Company, calculated in accordance with the provisions of section 349 and 350 and other applicable provisions, if any, of the Companies Act 1956 for each financial year, effective from the financial year 2010-11 in such manner as the board of directors in its absolute discretion may decide from time to time.

Resolved further that the Board of directors of the Company (which expression shall also include a duly constituted committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

Registered Office:

Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India
Date: April 28, 2010

By order of the Board
For Bharti Airtel Limited

Vijaya Sampath
Group General Counsel &
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. The notice of the annual general meeting will be sent to those members/beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on Friday, July 23, 2010.
3. Annual Report is also available at the website of the Company at www.airtel.in in the Investor Relations section.
4. The Register of members and Share Transfer books of the Company will remain closed from Saturday, August 21, 2010 to Wednesday, September 1, 2010 (both days inclusive), in terms of the provisions of the Companies Act, 1956 and the listing agreements with the stock exchanges where the shares of the Company are listed, for the purpose of annual general meeting and determining the names of the members eligible for dividend on equity shares, if declared at the meeting.
5. The dividend, if declared at the meeting, will be paid on or before the 30th day from the date of declaration of dividend i.e. September 30, 2010 to:
 - For shares held in physical form - those members whose names will appear in the Register of Members on the close of the day on August 20, 2010;
 - For shares held in dematerialised form - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as beneficial owner on August 20, 2010.
6. Members, who hold shares in the physical form and desirous of availing ECS facility for direct credit of dividend to their bank account, may submit their requisite request in the enclosed form to the Company's Registrars and Share Transfer Agents (RTA), Karvy Computershare Private Limited, at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh. The ECS mandate, in order to be effective, should be submitted to the RTA on or before August 20, 2010.

In respect of shareholders holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS. The Company/the RTA will not act on any direct request from members holding shares in dematerialised form for change/deletion of such bank details.
7. Members who are holding shares in physical form are requested to address all correspondence concerning

registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address, or updation thereof to the Company's RTA. Members, whose shareholdings are in the electronic format are requested to direct change of address notifications and updation of bank account details to their respective depository participants. Any query related to dividend should be directed to the RTA of the Company.

8. Information regarding particulars of the directors to be appointed and the directors seeking re-appointment requiring disclosure in terms of the listing agreement and the explanatory statement with respect to special business pursuant to section 173 of the Companies act, 1956 are annexed hereto. The directorships held by the directors considered for the purpose of disclosure do not include the directorships held in foreign companies, private limited companies and companies under section 25 of the Companies Act, 1956 but include private limited companies which are considered as public limited companies in terms of section 3(1)(iv)(c) of the Companies Act, 1956. The committee chairmanships/ memberships considered for the purposes of disclosure are those prescribed under clause 49(I)(C) of the listing agreement(s) viz. Audit Committee and Shareholders / Investor Grievance Committee of Indian public limited companies.
9. Corporate members are requested to send a duly certified copy of the board of directors' resolution/power of attorney authorising their representative to attend and vote at the annual general meeting.
10. Statutory Registers and documents referred to in the accompanying notice and the explanatory statement, including certificate from the Auditors of the Company under clause 14 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of annual general meeting and will also be available for inspection at the meeting.
11. Members having any questions on accounts are requested to send their queries at least ten days prior to the annual general meeting to the Company at its registered office address to enable the Company to collect the relevant information.
12. Members/proxies are requested to bring duly filled admission / attendance slips sent herewith along with the copies of annual reports at the meeting.
13. For the security and safety of the shareholders, no article / baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage etc at the venue of the meeting.

MEMBERS MAY PLEASE NOTE THAT NO GIFTS/ GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

EXPLANATORY STATEMENT**(Under section 173(2) of the Companies Act, 1956)****Item No. 8**

The members are aware that Bharti Airtel Limited ("the Company") has signed a definitive agreement to acquire Zain Africa B.V. having its telecom operations in 15 countries in African continent through Bharti Airtel International (Netherlands) B.V., Netherlands (a wholly owned subsidiary company of Bharti Airtel Limited, hereinafter referred to as "BAIN"). The statutory and administrative formalities regarding the acquisition of Zain are being complied with. While the normal operations will continue to be managed by the management of the respective companies in the respective countries, BAIN will become the holding entity for the African operations.

BAIN has proposed to appoint Mr. Shravin Mittal as its employee either in BAIN or any of its subsidiary company as may be considered appropriate from time to time depending upon the business requirement. Since Mr. Shravin Mittal is a relative of Mr. Sunil Bharti Mittal, Chairman and Managing Director of Bharti Airtel Limited, his appointment requires approval of the shareholders by way of special resolution in general meeting pursuant to the provisions of section 314 of the Companies Act 1956.

The Board of directors in its meeting held on April 28, 2010, subject to the approval of the shareholders, have unanimously consented to the appointment of Mr. Shravin Mittal as an employee of BAIN or any of its step down subsidiary companies on or after April 28, 2010 at such remuneration and on such other terms and conditions, as may be decided by the respective employer company, provided however that the aggregate amount of remuneration (inclusive of salary, allowances, perquisites, incentives, bonuses, retirement benefits, facilities, social securities etc.) shall not exceed Euros 250,000 per annum or equivalent amount in any other currency.

Mr. Shravin Mittal is a graduate from University of Bath in Accounting and Finance and has varied experience of over 3 years in equity research, portfolio management etc. with JP Morgan, E&Y, Merrill Lynch, Deutsche Bank, IMG etc. In his previous assignments he was responsible for financial analysis, research and strategic evaluations for their Investment Banking, Technology, Media and Telecom division, especially for merger and acquisition transactions.

He will assist BAIN's management in integration of Zain Africa with the Company and such other assignment as may be assigned by the employer company from time to time.

It is clarified that Mr. Shravin Mittal is not presently a director of BAIN, whose Board has approved his appointment but may be elevated to the board or equivalent position, in future

either in BAIN or any of the companies in which he is an employee.

The Board recommends the resolution as set out in item no. 8 for approval of the shareholders as a special resolution.

Except Mr. Sunil Bharti Mittal, none of the other directors of the Company is in any way, concerned or interested in this resolution except as members of the Company.

Item No. 9

In terms of section 309 of the Companies Act, 1956, with the approval of the shareholders by way of special resolution, a company may make payments by way of commission to its non-executive directors and such remuneration by way of commission cannot exceed 1% of the net profits of the Company.

In August 2009, the shareholders had approved payment of commission to independent non-executive directors within the overall limit of one percent of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 1956.

In order to remunerate the directors for their duties on the Board, the Board of directors is of the opinion that in addition to the independent directors, all non-executive directors should also be paid appropriate commission for the counsel and advice provided by the non executive directors whether independent or otherwise.

Since the earlier approval of the shareholders was limited to the payment of Commission to the independent directors only, in terms of section 309 of the Companies Act, 1956, approval of shareholders is required for payment of commission to the non-executive non-independent directors under section 309. The approval will be valid for a period of five years and can be renewed from time to time, for a further period not exceeding five years.

The Board recommends the resolution as set out in item no. 9 for approval of the shareholders as a special resolution.

All the directors of the Company except Mr. Manoj Kohli may be deemed to be concerned or interested in the aforesaid resolution.

Registered Office:
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase-II,
New Delhi - 110 070, India
Date: April 28, 2010

By order of the Board
For Bharti Airtel Limited

Vijaya Sampath
Group General Counsel &
Company Secretary

Information on directors seeking re-appointment at the forthcoming annual general meeting (pursuant to clause 49 of the Listing Agreement).

Mr. Pulak Chandan Prasad	
Date of birth	May 27, 1968
Qualifications	B.Tech from Indian Institute of Technology, Delhi MBA from Indian Institute of Management, Ahmedabad
Experience and expertise in specific functional area	Financial Management
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other Indian public limited companies	Nil
Membership / Chairmanship of committees in public limited companies in India	Bharti Airtel Limited - Audit Committee (Member)

Ms. Chua Sock Koong	
Date of birth	September 14, 1957
Qualifications	1st Class Honours Degree in Accountancy from the University of Singapore Certified Public Accountant and Chartered Financial Analyst
Experience and expertise in specific functional area	Management and Finance
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other Indian public limited companies	Bharti Telecom Limited
Membership / Chairmanship of committees in public limited companies in India	Nil

Mr. Rajan Bharti Mittal	
Date of birth	January 05, 1960
Qualifications	Graduate from Panjab University Alumnus of Harvard Business School
Experience and expertise in specific functional area	Marketing and Management
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Bharti Realty Holdings Limited Bharti Retail Limited Bharti Telecom Limited Bharti Ventures Limited Bharti Wal-Mart Private Limited* Cedar Support Services Limited T.V. Today Networks Limited
Membership / Chairmanship of committees in public limited companies in India	Bharti Airtel Limited - Investor Grievance Committee (Member) Bharti Retail Limited - Audit Committee (Member) Bharti Telecom Limited - Audit Committee (Chairman) Bharti Telecom Limited - Share Transfer Committee (Chairman) Bharti Ventures Limited - Audit Committee (Member)

*Public limited company in terms of section 3(1)(iv)(c) of the Companies Act, 1956

Mr. Rakesh Bharti Mittal	
Date of birth	September 18, 1955
Qualifications	Engineering from the YMCA Institute of Engineering
Experience and expertise in specific functional area	Management
Shareholding in Bharti Airtel Limited	Nil
Directorships held in other public limited companies in India	Beetel Teletech Limited Bharti AXA General Insurance Company Limited Bharti AXA Life Insurance Company Limited Bharti Telecom Limited Bharti Ventures Limited Centum Learning Limited Comviva Technologies Limited
Membership/Chairmanship of committees in public limited companies in India	Bharti Airtel Limited - Audit Committee (Member) Bharti Airtel Limited - Investor Grievance Committee (Member) Beetel Teletech Limited - Audit Committee (Member) Bharti Ventures Limited - Audit Committee (Member)

Registered Office:
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India
Date: April 28, 2010

By order of the Board
For Bharti Airtel Limited

Vijaya Sampath
Group General Counsel &
Company Secretary

BHARTI AIRTEL LIMITED**Regd. Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070, India**ADMISSION SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DPId		Client Id	
Regd. Folio No.*		No. of Shares	

Name(s) and address of the shareholder in full

I / we hereby record my / our presence at the fifteenth annual general meeting of the Company being held on Wednesday, September 01, 2010 at 3.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi – 110 010, India.

Please (✓) in the box

☐ MEMBER ☐ PROXY

Signature of Member / Proxy

*Applicable for investor holding shares in physical form.

BHARTI AIRTEL LIMITED**Regd. Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070, India**PROXY FORM**

DPId		Client Id	
Regd. Folio No.*		No. of Shares	

I/We Name(s) and address of the shareholder in full

being a member of Bharti Airtel Limited, hereby appoint of in the district of
or failing him / her of in the district of as
my/our Proxy to attend and vote for me/us on my/our behalf at the fifteenth annual general meeting of the Company scheduled to be held on
Wednesday, September 01, 2010 at 03.30 P.M. at Air Force Auditorium, Subroto Park, New Delhi – 110 010 or /and at any adjournment thereof.

I/We direct my/our Proxy to vote on the resolution(s) in the manner as indicated below:

Resolutions	For	Against
Adoption of annual financial statements and reports		
Declaration of dividend on equity shares		
Re-appointment of Mr. Pulak Chandan Prasad		
Re-appointment of Ms. Chua Sock Koong		
Re-appointment of Mr. Rajan Bharti Mittal		
Re-appointment of Mr. Rakesh Bharti Mittal		
Re-appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants, Gurgaon, as the statutory auditors		
Consent for appointment of Mr. Shravin Mittal as an employee in a subsidiary company		
Payment of commission to non-executive directors of the Company		

Dated:

Signature of the Shareholder

Affix the
revenue
stamp of
Re 1/-

*Applicable for investor holding shares in physical form.

Note : The Proxy form duly completed and signed should be deposited at the Registered Office of the Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi-110070 not later than 48 hours before the commencement of the annual general meeting.



ECS MANDATE FORM
[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To
Karvy Computershare Private Limited
Unit: Bharti Airtel Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad
Pin: 500 081

Name of the First/ Sole Share holder	
Folio No.	

PAN / Email information

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
Email ID	

ECS Mandate Form (for shares held in Physical mode)

Bank Name							
Branch Name and Address							
Bank Account Type (tick)	SB		Current		Others		
Bank Account Number							
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photo copy of the Cheque)							

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through email towards dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder/Sole Holder



Circle

offices

Assam & North East States

Bharti House,
Six Mile,
Khanapara
Guwahati - 781 022

Andhra Pradesh

Splendid Towers,
HUDA Road,
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

Tamil Nadu & Kerala

Oceanic Towers,
101, Santhome High Road,
Santhome,
Chennai - 600 028

Uttar Pradesh & Uttaranchal

Airtel Towers,
12, Rani Laxmi Bai Marg,
Hazratganj,
Lucknow - 226 001

West Bengal & Orissa

2 Infinity Building,
7th floor, Sector V,
Salt Lake Electronics Complex,
Kolkata - 700 091



